



# DoD's Materiel and Distribution Management

# FACT BOOK

Fiscal Year 1997



ACQUISITION AND  
TECHNOLOGY

**OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE  
FOR LOGISTICS  
3500 DEFENSE PENTAGON  
WASHINGTON DC 20301-3500**

DoD's Materiel and Distribution Management Fact Book contains general information about secondary item supply and distribution operations for FY 1997. Also, the fact book presents historical information from FY 1990 through FY 1997 to highlight important trends. The fact book provides only general information and does not represent official correspondence.

Walter D. Atchley  
Acting Assistant Deputy Under Secretary of Defense  
(Materiel & Distribution Management)

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# Acronyms

AMCOM	U.S. Army Aviation Missile Command
CECOM	U.S. Army Communications-Electronics Command
CONUS	Continental United States
DESC	Defense Energy Support Center
DLA	Defense Logistics Agency
DLMSO	Defense Logistics Management Standards Office
DSCC	Defense Supply Center, Columbus
DSCP	Defense Supply Center, Philadelphia
DSCR	Defense Supply Center, Richmond
FY	Fiscal Year
ICP	Inventory Control Point
LMARS	Logistics Metric Analysis Reporting System
MCLB	Marine Corps Logistics Base
NAVICP	Naval Inventory Control Point
OC-ALC	Oklahoma City Air Logistics Center
OO-ALC	Ogden Air Logistics Center
SA-ALC	San Antonio Air Logistics Center
SCBCOM	Soldier Chemical/Biological Command
SM-ALC	Sacramento Air Logistics Center
TACOM	U.S. Army Tank-automotive and Armaments Command
USAF	U.S. Air Force
USMC	U.S. Marine Corps
WR-ALC	Warner-Robins Air Logistics Center

# Logistics Vision

*An integrated supply chain of private-sector and organic support providers that ensures full customer-oriented support to personnel and weapon systems*

# Logistics Mission Statement

*To provide responsive support to ensure readiness and sustainability for the total force in both peace and war*

# Logistics Goals and Objectives

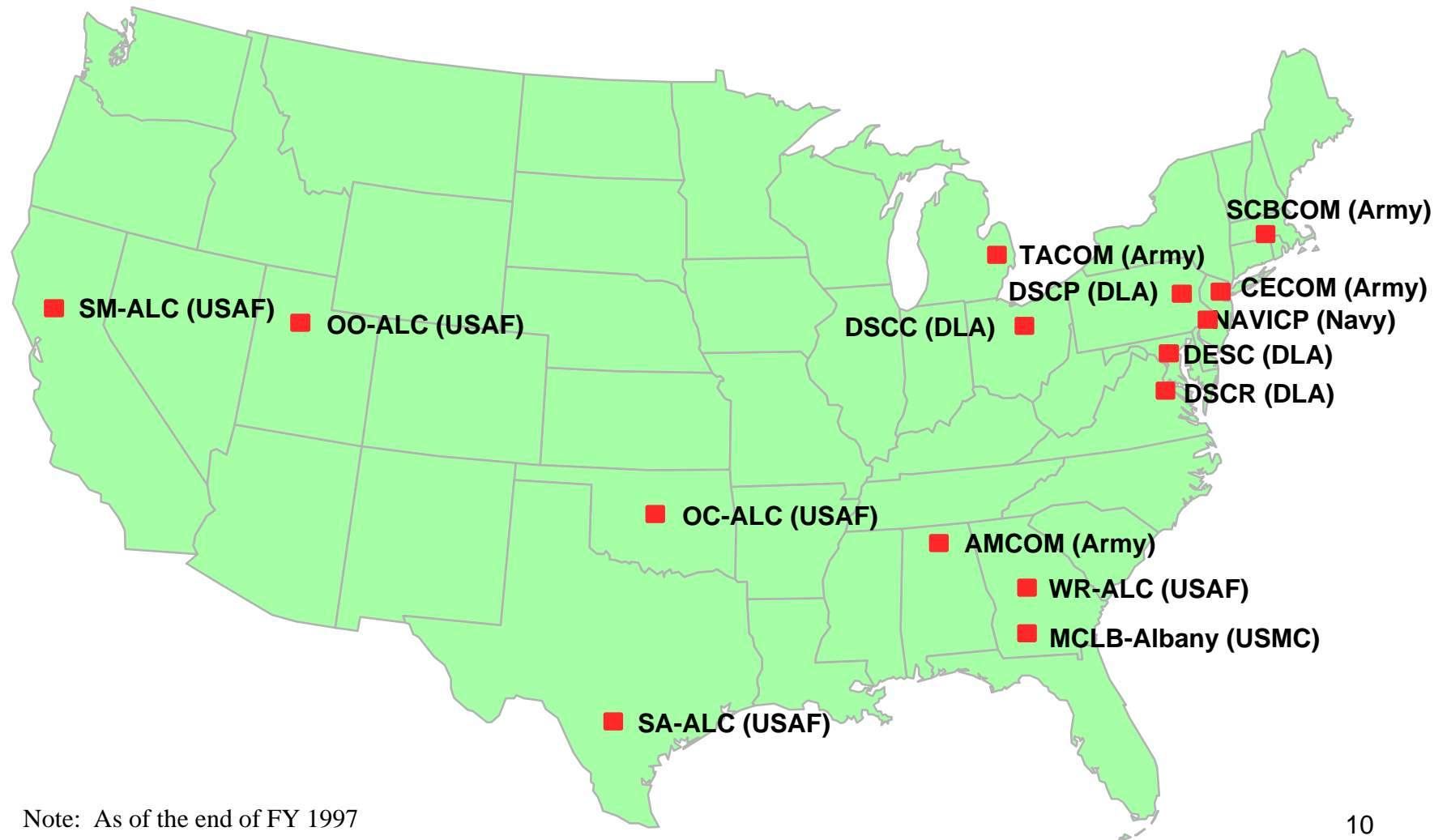
- **Goal 1: To provide timely and responsive support to warfighters and other customers.**
  - Reduce order-to-receipt times to achieve the National Performance Review DoD Acquisition Year 2000 goal.
  - Measure logistics system performance reliability and consistency from the customer confidence perspective.
  - Fully implement Total Asset Visibility.
  - Develop a flexible and verifiable model that will determine war reserve inventory requirements to ensure war reserves are properly selected, sized, positioned, prepackaged, maintained, and transportable based on approved plans.



# Logistics Goals and Objectives

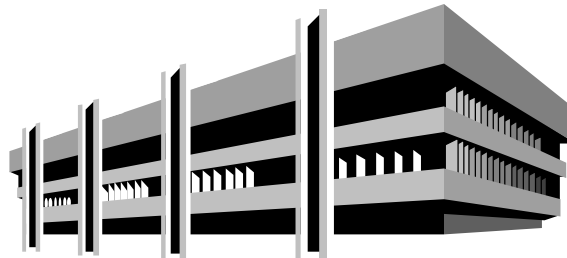
- **Goal 2: To achieve maximum logistics productivity.**
  - Reengineer logistics processes and related automated data processing systems.
  - Implement a comprehensive outsourcing, privatization, and elimination strategy. Conduct business case analysis and risk analysis at all organizational levels. Expand the prime vendor program for maintenance, repair, and operating supplies. Identify additional specific outsourcing opportunities.
  - Reduce worldwide materiel inventories to achieve DoD and National Performance Review goals.
  - Implement a virtual ICP structure in each Component.
  - Accomplish cost-effective regionalization of Component logistics activities.
  - Develop the logistics workforce into a multiskilled and highly flexible resource.

# Supply Management Inventory Control Points



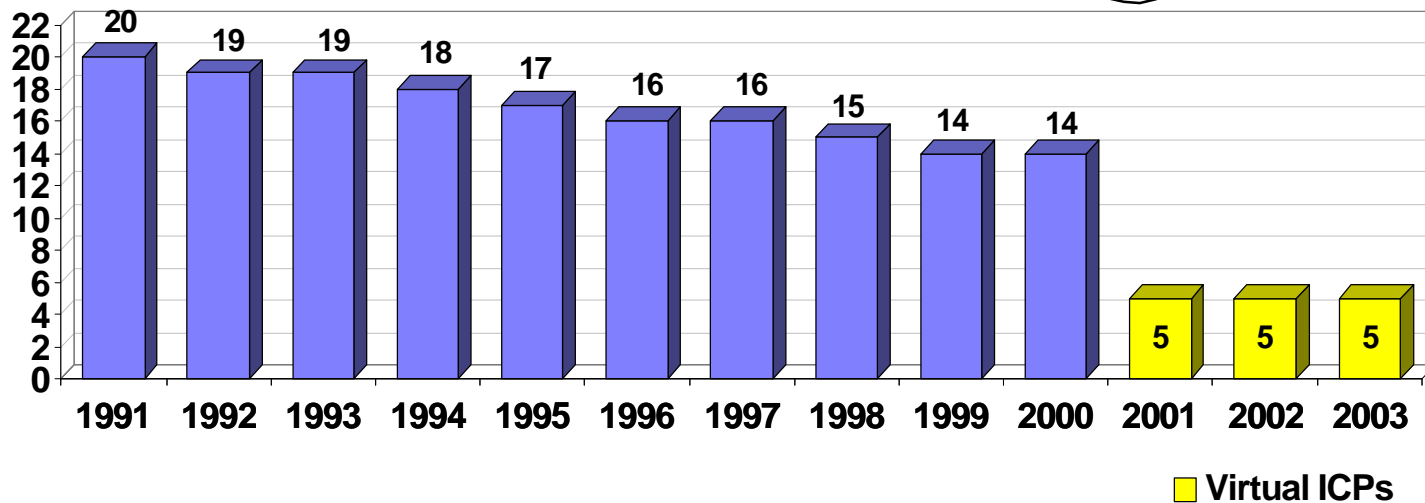
Note: As of the end of FY 1997

# Inventory Control Point Plan



Defense Planning Guidance  
directs one virtual ICP for each  
Component by 2001.

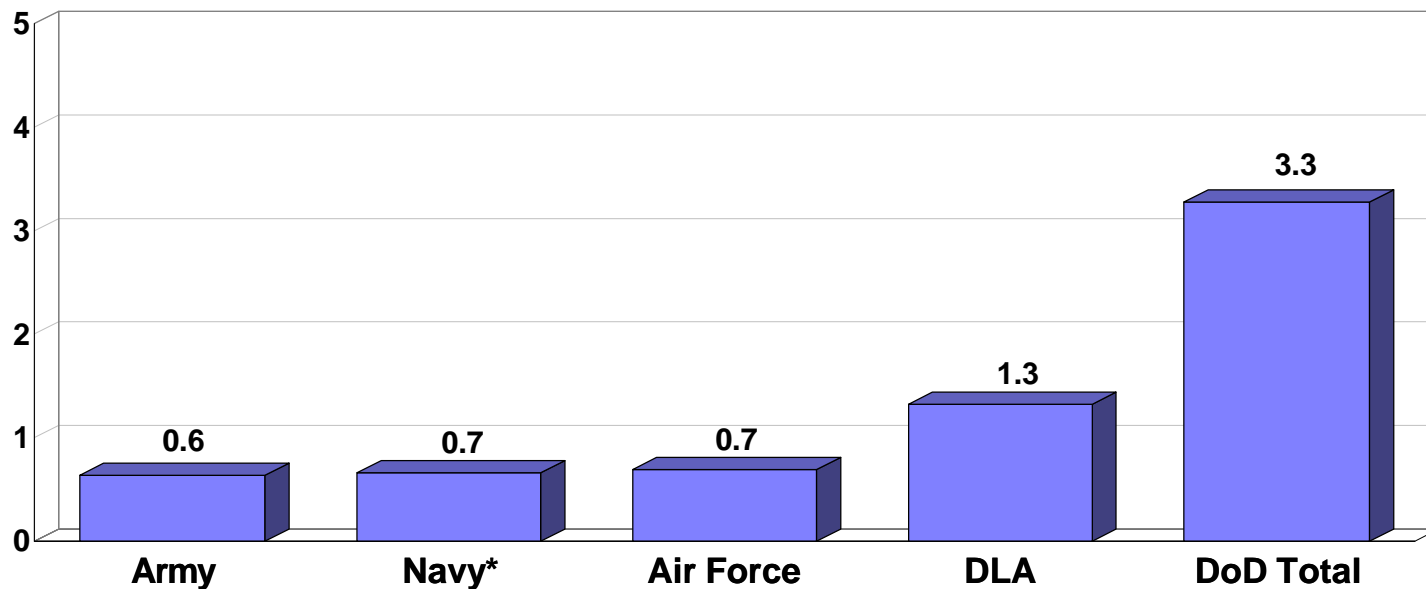
Number of ICPs



FY

# Wholesale Supply Management Cost of Operations

Current Year — \$ Billions

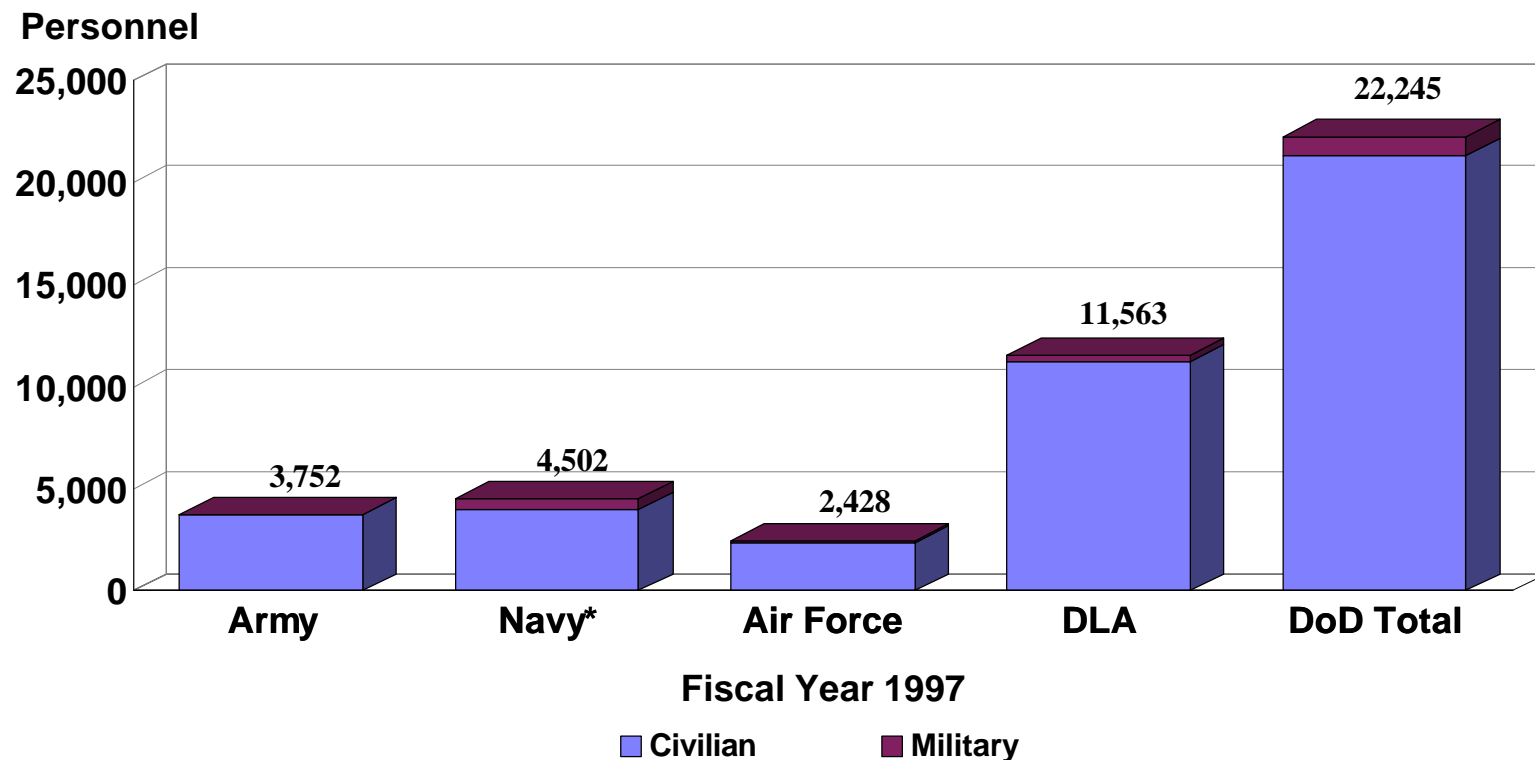


FY 1997

\* Includes Marine Corps

Source: FY 1999 President's Budget Submission, February 1998

# Wholesale Supply Management Personnel (Military and Civilian)

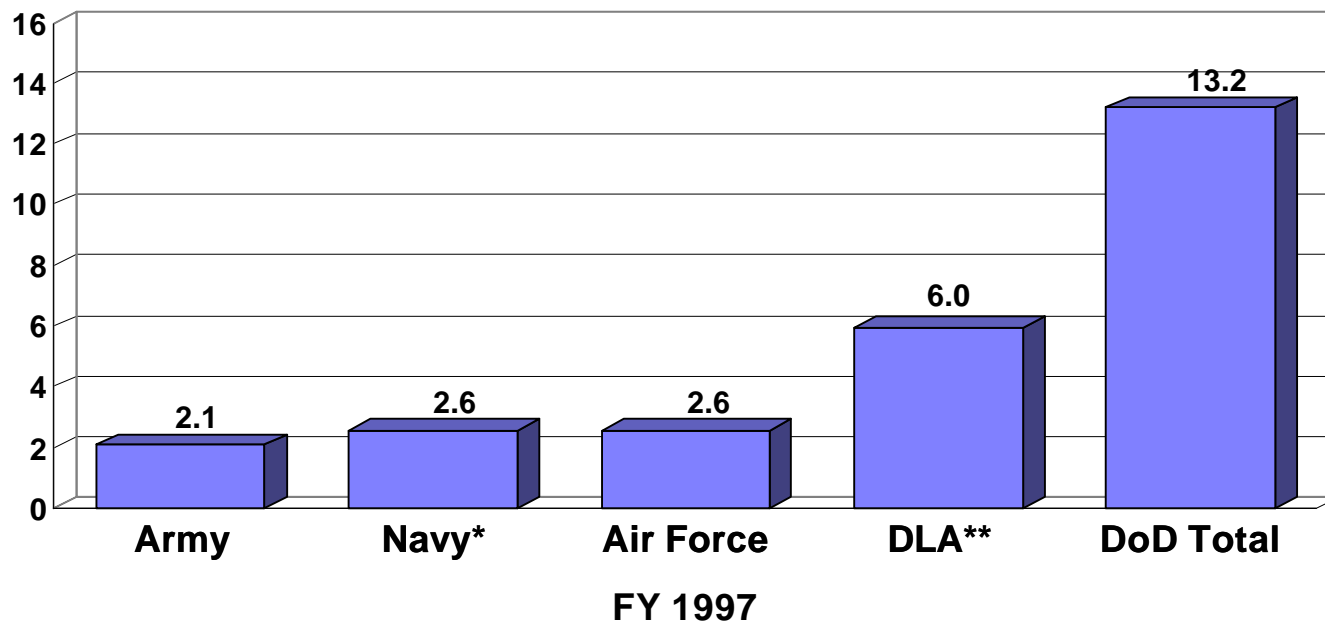


\* Includes Marine Corps

Source: FY 1999 President's Budget Submission, February 1998

# Net Wholesale Materiel Sales

Current Year — \$ Billions at Latest Acquisition Cost



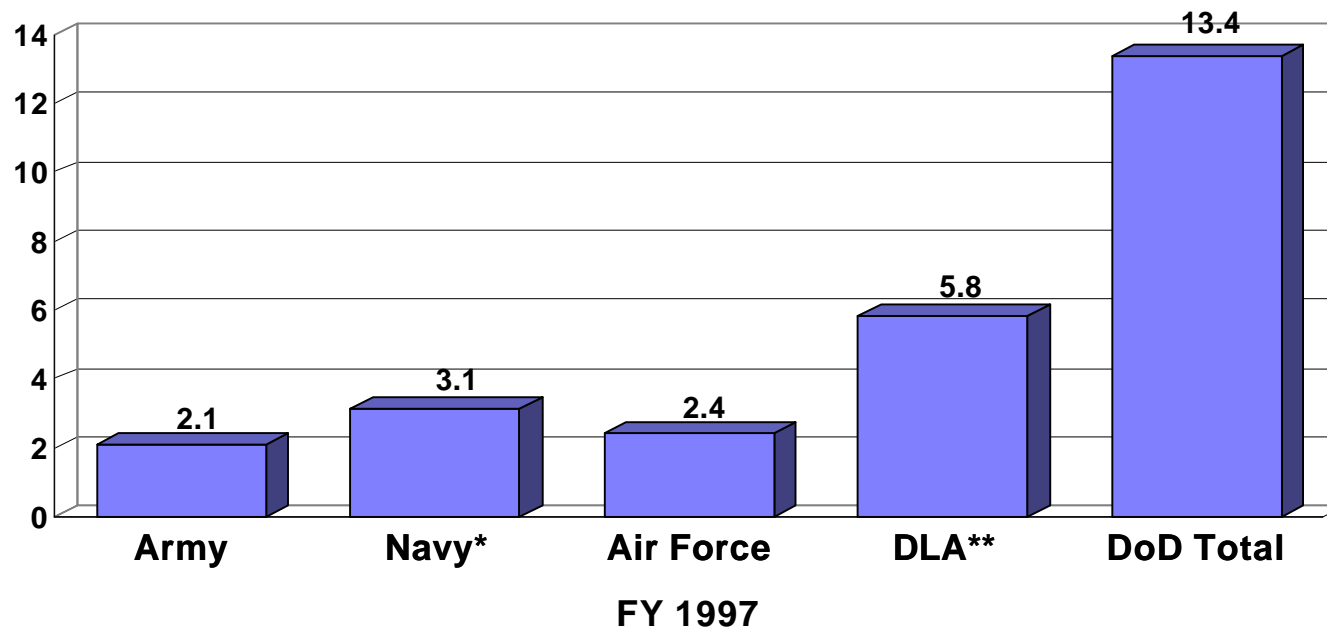
\* Includes Marine Corps

\*\* Does not include sales of petroleum, natural gas, and coal

Source: FY 1999 President's Budget Submission, February 1998

# Wholesale Materiel Obligations

Current Year — \$ Billions at Latest Acquisition Cost



\* Includes Marine Corps

\*\* Does not include petroleum, natural gas, and coal

Source: FY 1999 President's Budget Submission, February 1998

# Petroleum Summary

FY 1997  
Current Year – \$ Billions

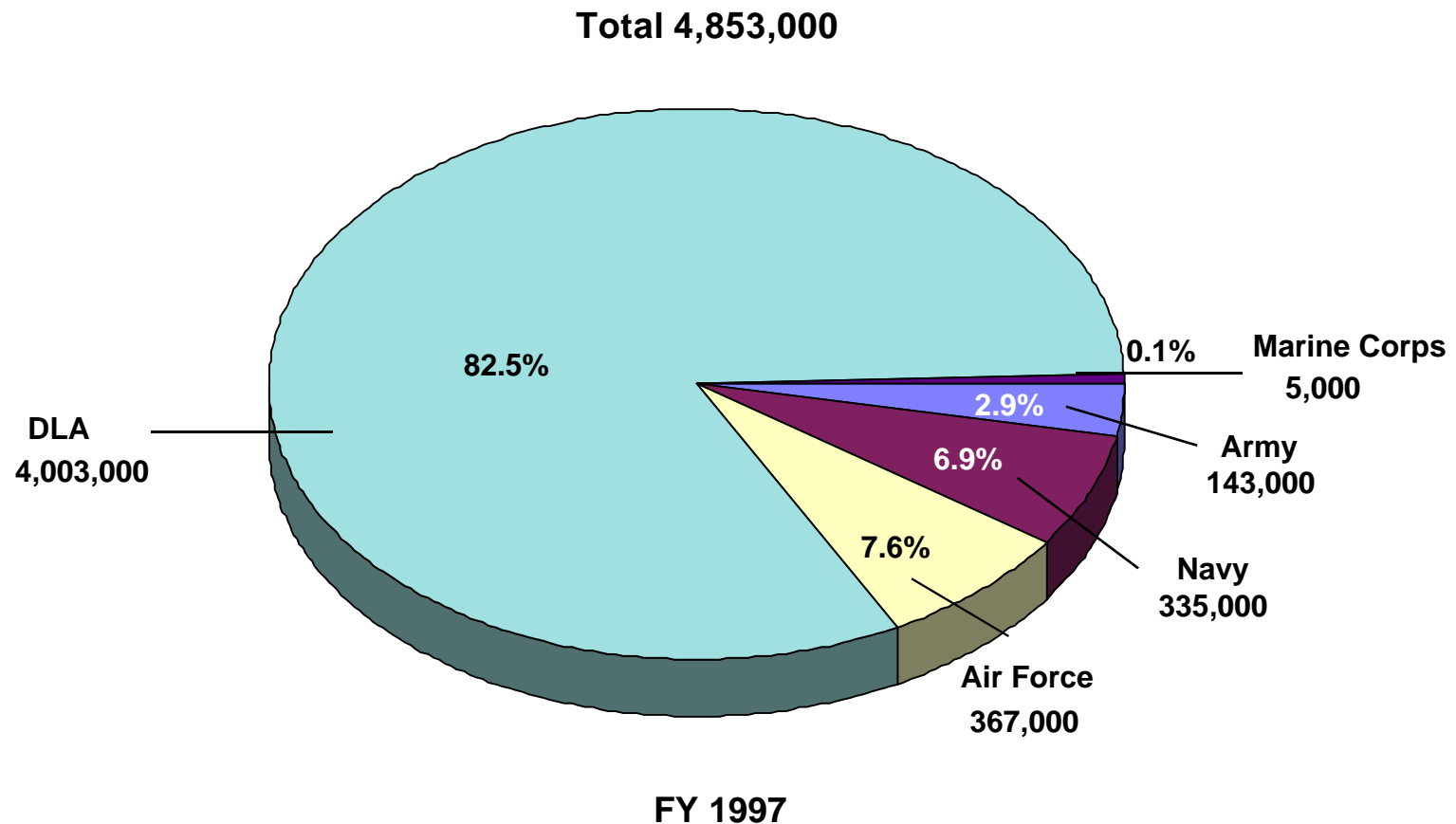
- Net purchases at cost \$3.75\*
- Net sales at cost \$3.33
- Ending inventory \$1.69

\* Includes product, net federal excise tax, transportation, services, Defense Energy Support Center operations, and net losses

Source: Directorate of Resources Management, Defense Energy Support Center



# Number of DoD Items Managed by Component

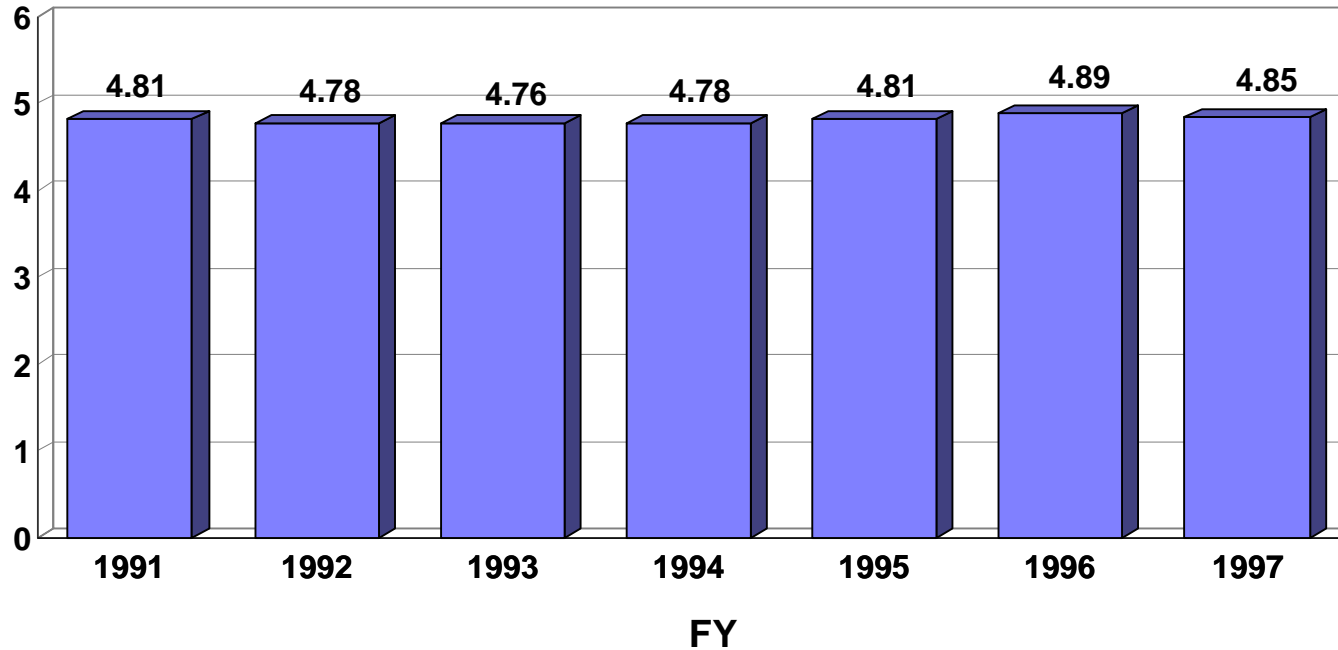


Note: Year-end total for primary inventory control activity items

Source: Defense Logistics Information Service

# Number of DoD Items Managed

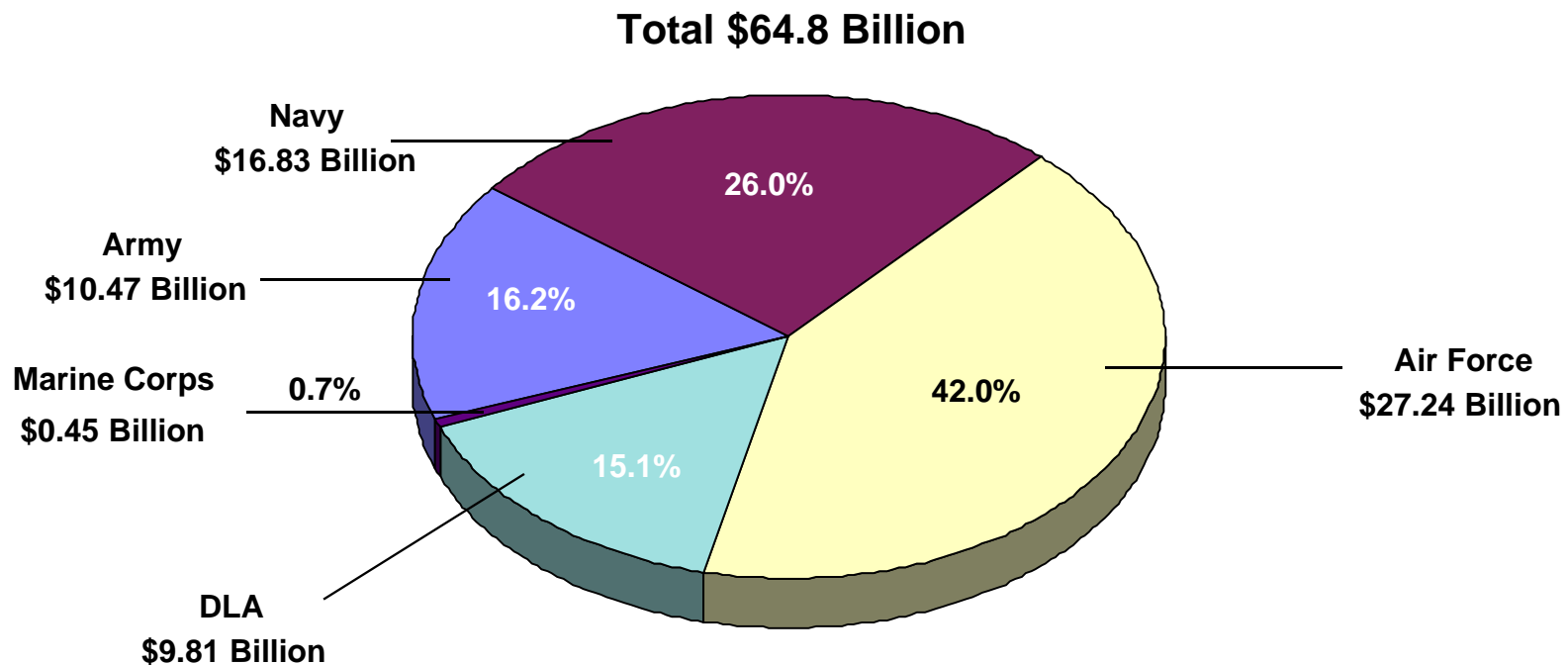
Millions



Note: Year-end total for primary control inventory activity items

Source: Defense Logistics Information Service

# Secondary Item Inventory by Component



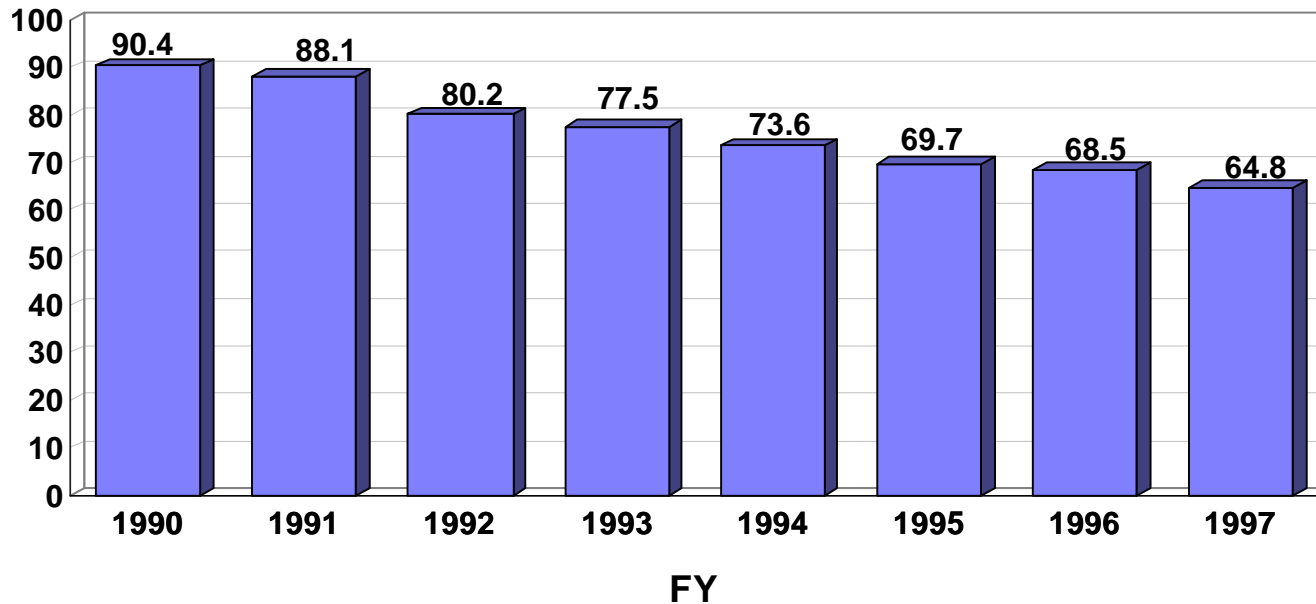
**FY 1997**

**Current Year – \$ Billions**

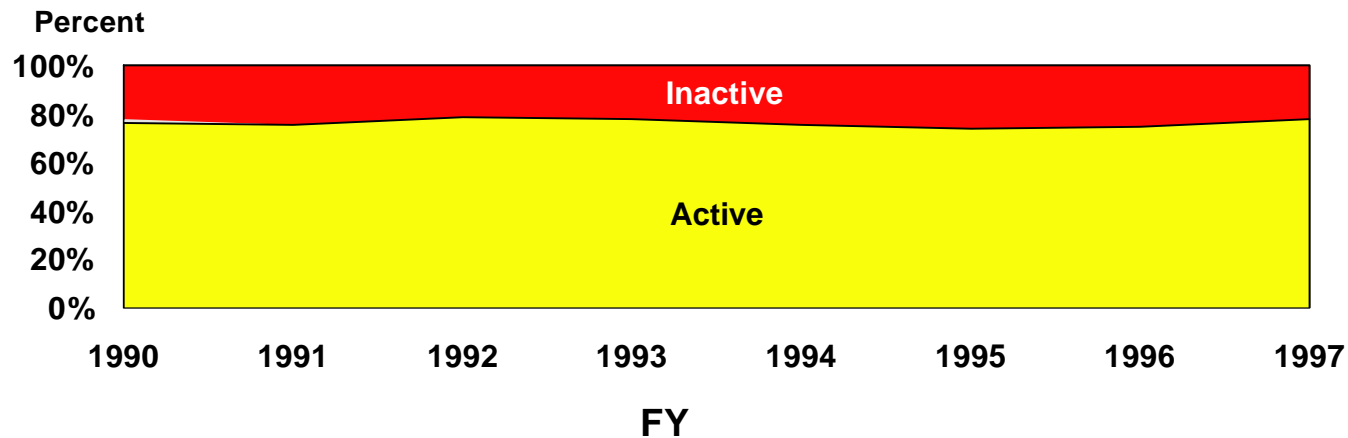
**at DoD Latest Acquisition Cost Method of Valuation**

# DoD Secondary Inventory Value

Current Year – \$ Billions at DoD Latest  
Acquisition Cost Method of Valuation



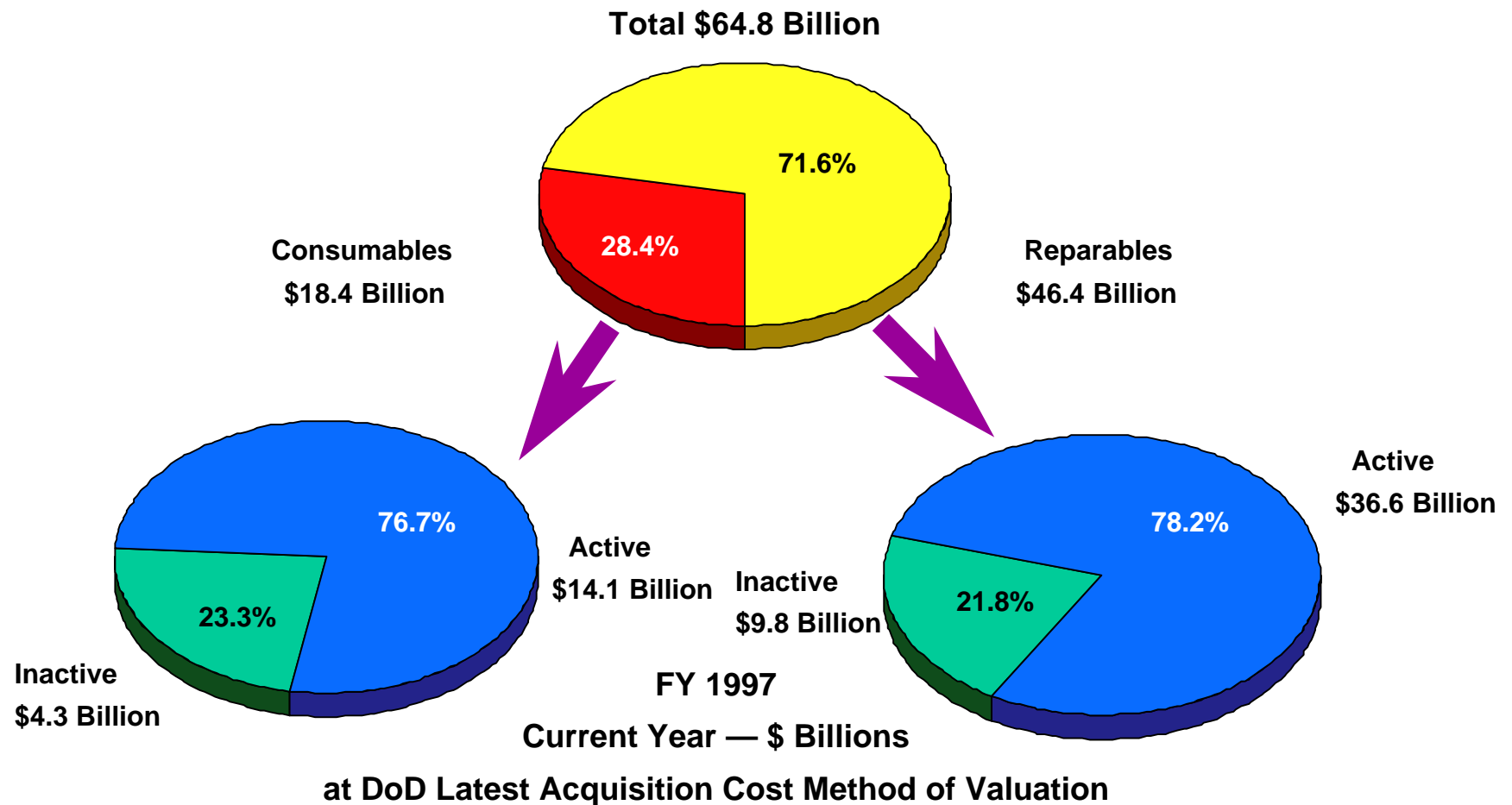
# DoD Active Inventory and Inactive Inventory to Total Inventory



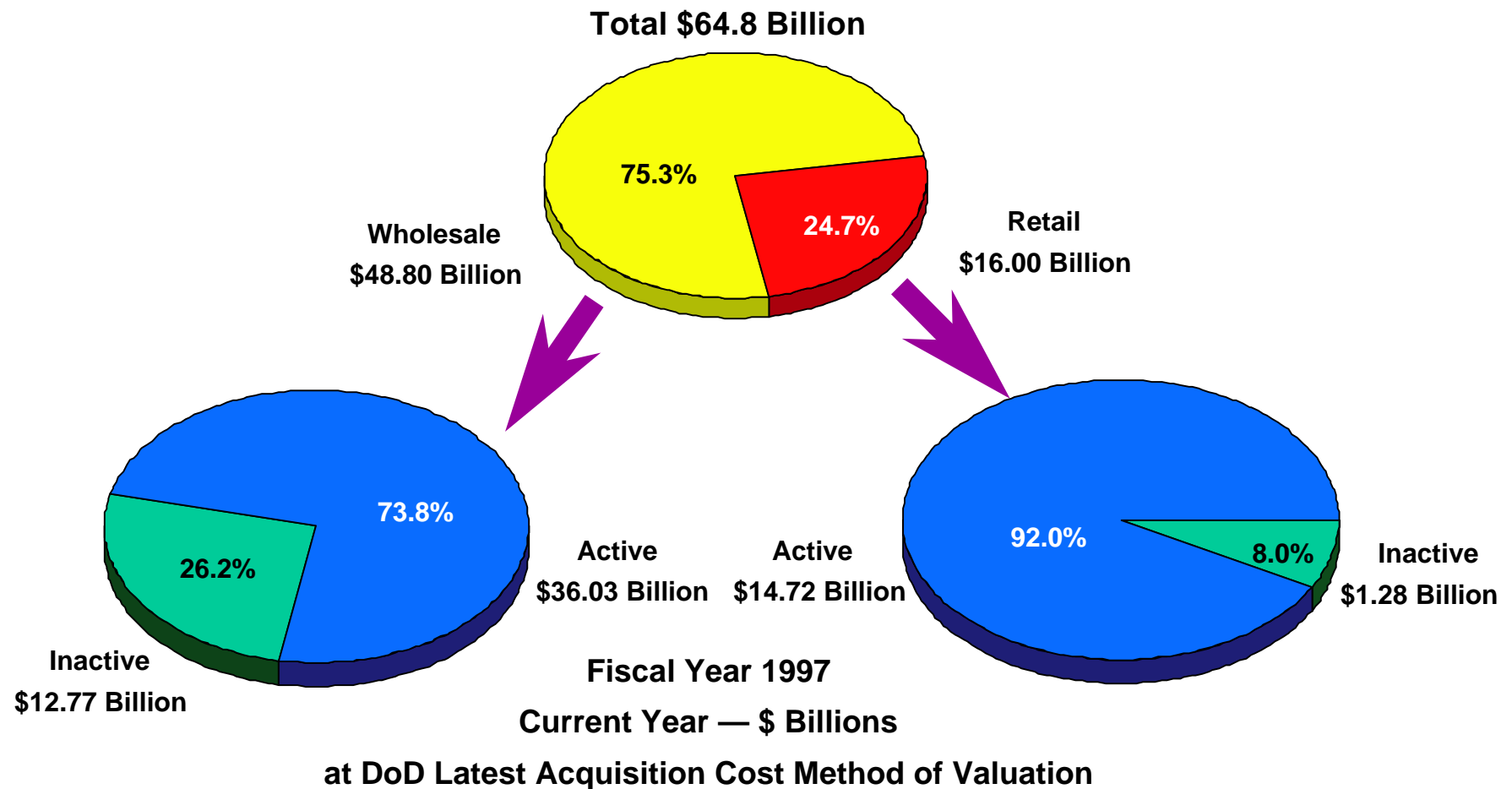
Inventory	1990	1991	1992	1993	1994	1995	1996	1997
Active	70.1	66.8	63.0	60.3	55.9	51.8	51.2	50.7
Inactive	20.3	21.3	17.2	17.2	17.7	17.9	17.2	14.1
Total	90.4	88.1	80.2	77.5	73.6	69.7	68.5	64.8

Current Year — \$ Billions at DoD Latest Acquisition Cost Method of Valuation

# Secondary Inventory by Item Type

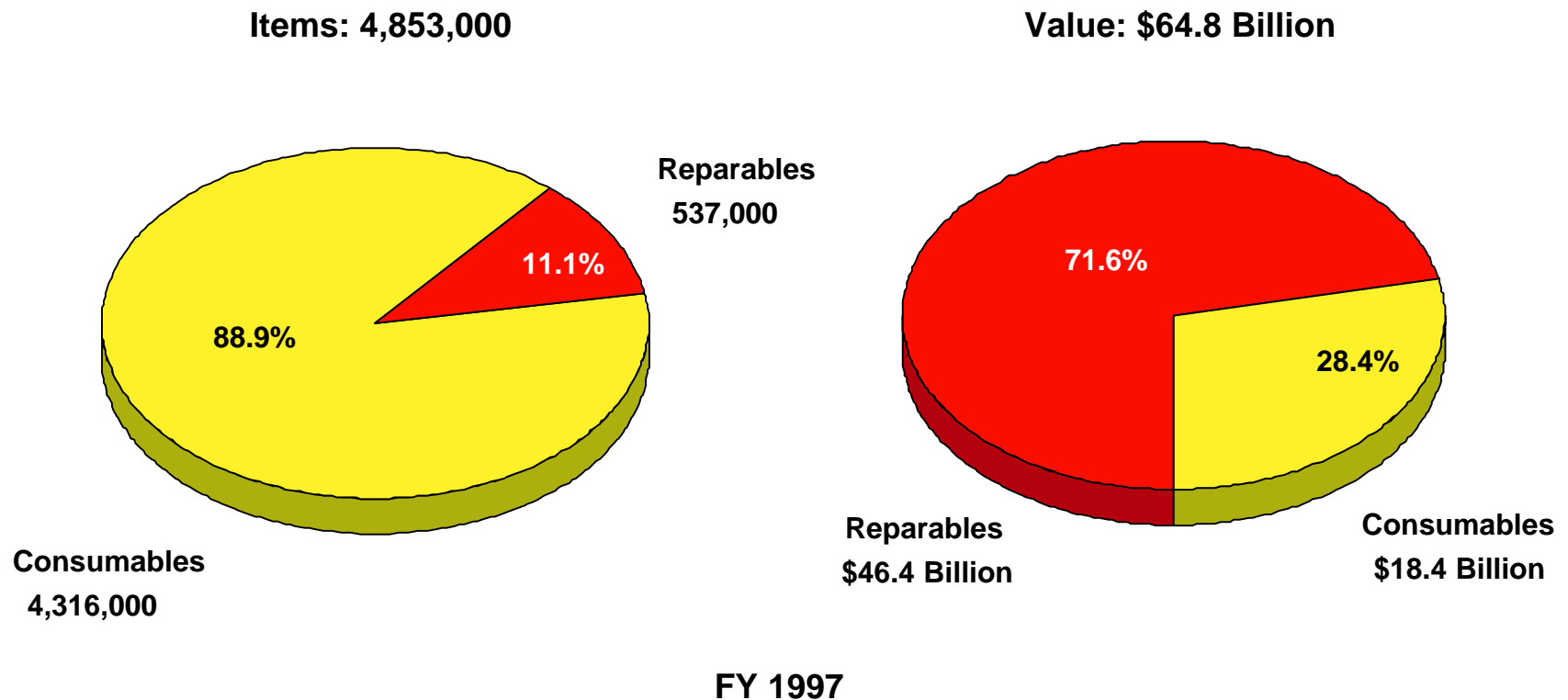


# Secondary Inventory by Management Level



Source: Supply System Inventory Report, as of September 30, 1997

# Number of Items and Secondary Inventory by Type

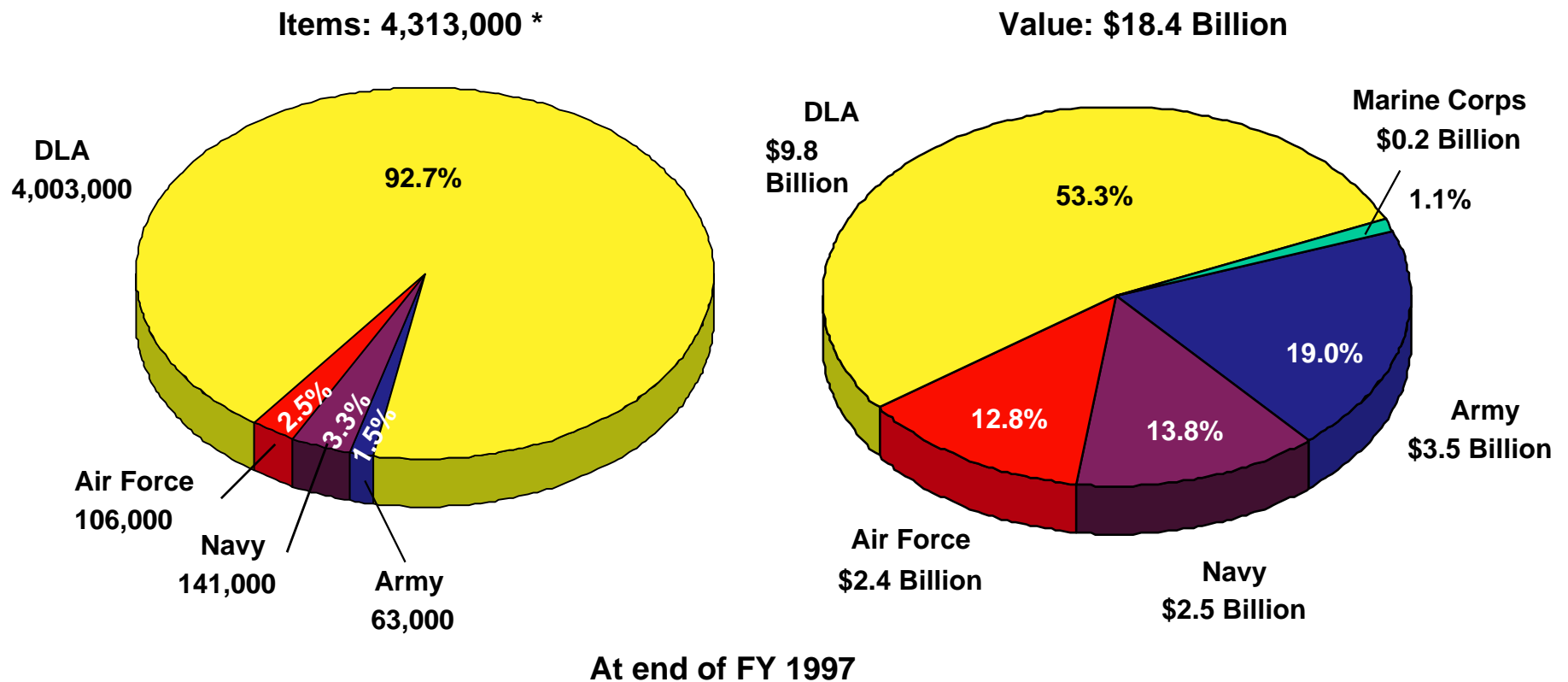


Note: Dollars at DoD latest acquisition cost method of valuation

Sources: Defense Logistics Information Service and Supply System Inventory Report, as of September 30, 1997



# Consumable Items and Secondary Inventory by Component

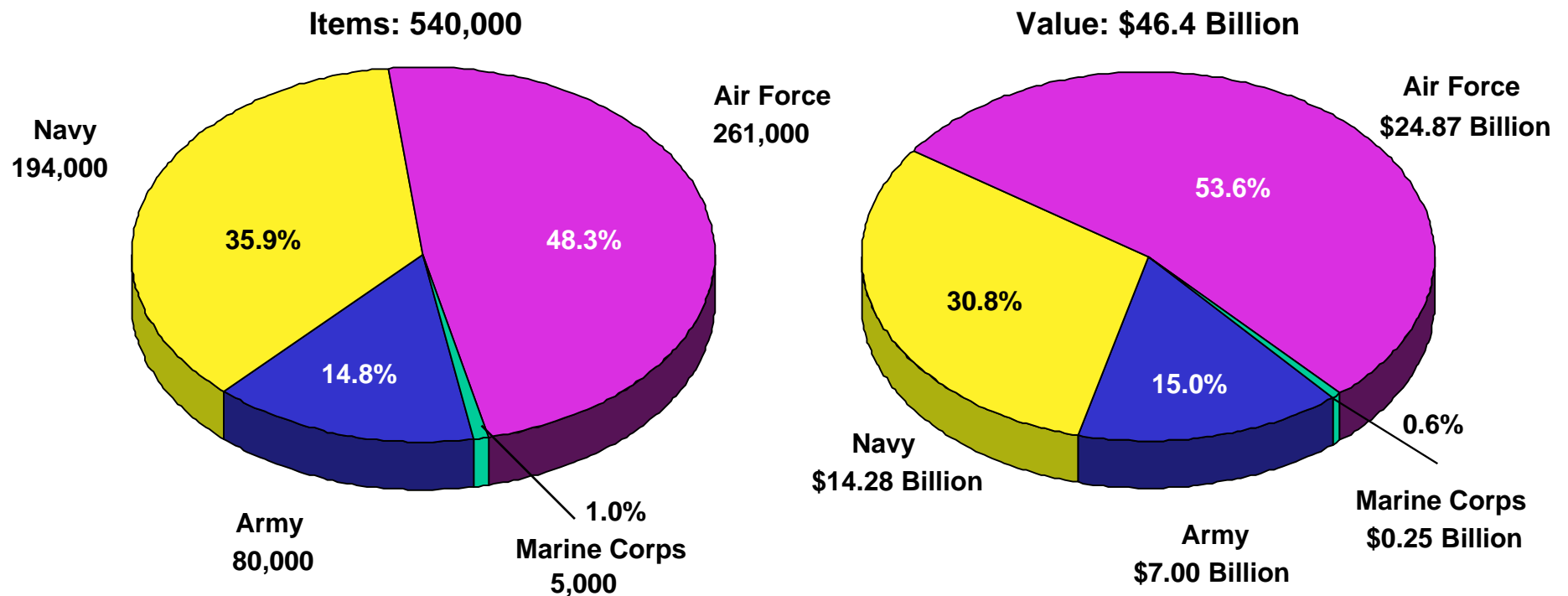


\* Marine Corps item count is 14.

Note: Dollars at DoD latest acquisition cost method of valuation

Sources: Defense Logistics Information Service and Supply System Inventory Report, as of September 30, 1997

# Reparable Items and Secondary Inventory by Component



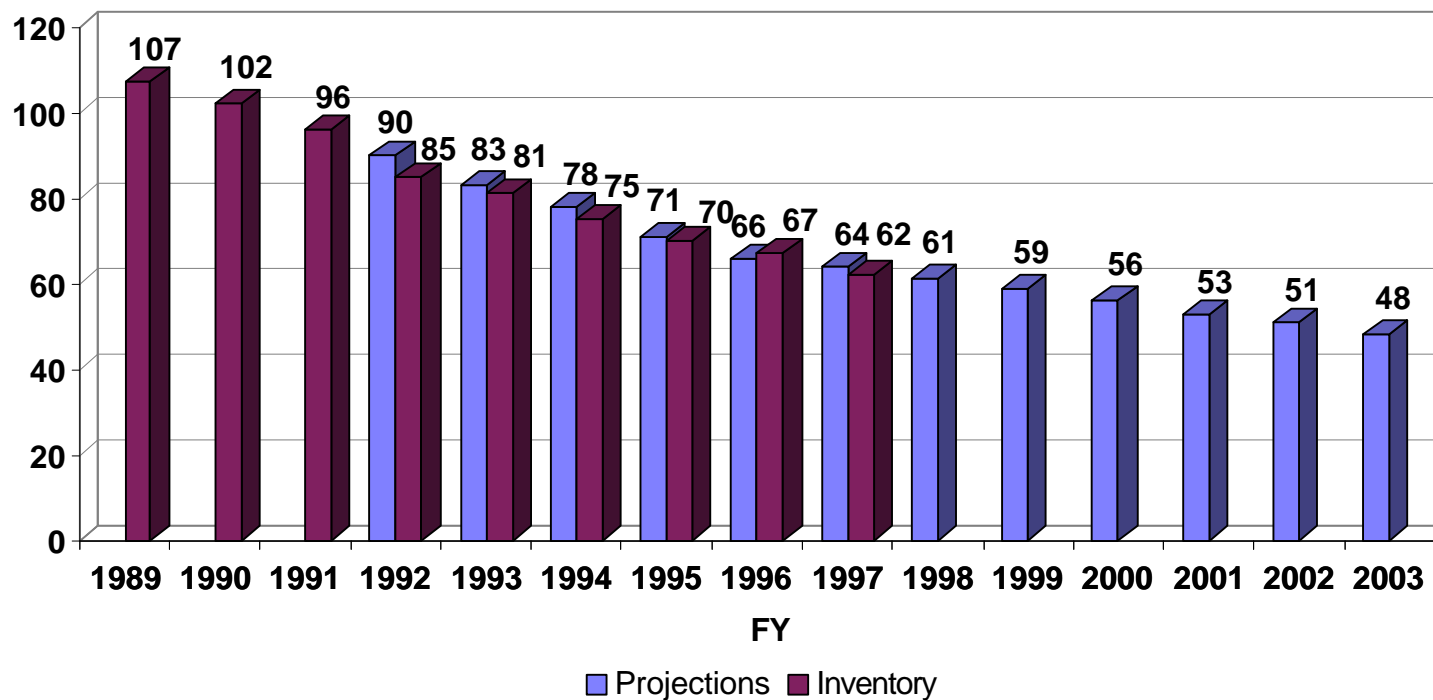
At end of FY 1997

Note: Dollars at DoD latest acquisition cost method of valuation

Sources: Defense Logistics Information Service and Supply System Inventory Report, as of September 30, 1997

# Inventory Goals vs. Inventory

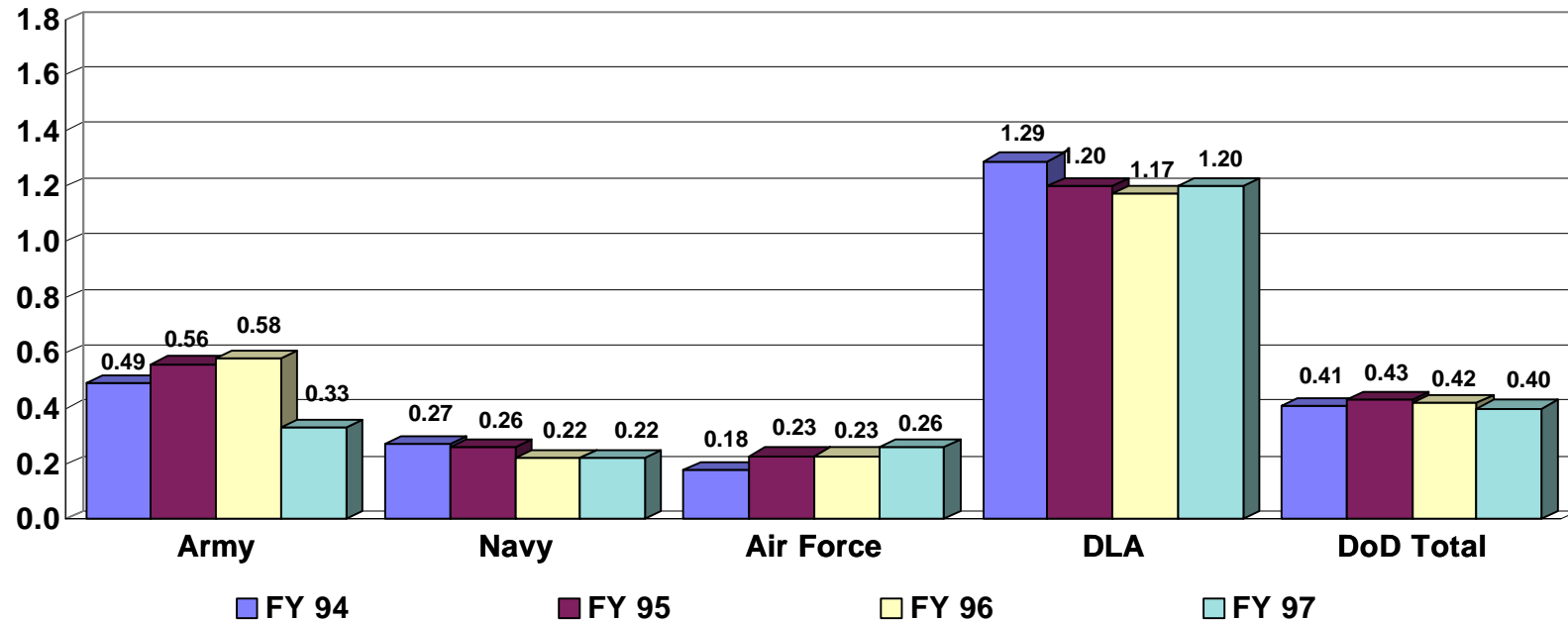
Constant FY 1995 — \$ Billions at DoD Latest Acquisition Cost Method of Valuation



Sources: Supply System Inventory Report, as of September 30, 1997, and DoD Logistics Strategic Plan, 1998 Edition

# Wholesale Inventory Turnover

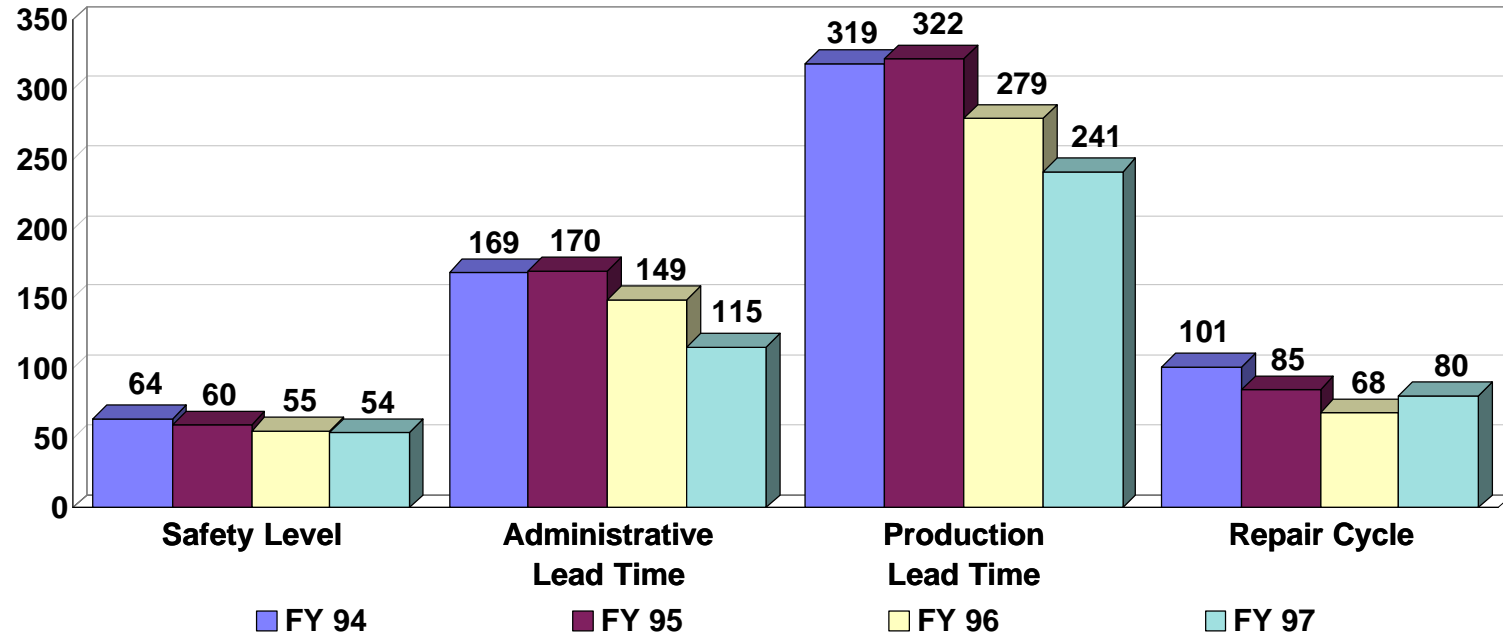
Turnovers per Year



Sources: Supply System Inventory Reports and President's Budget Submissions

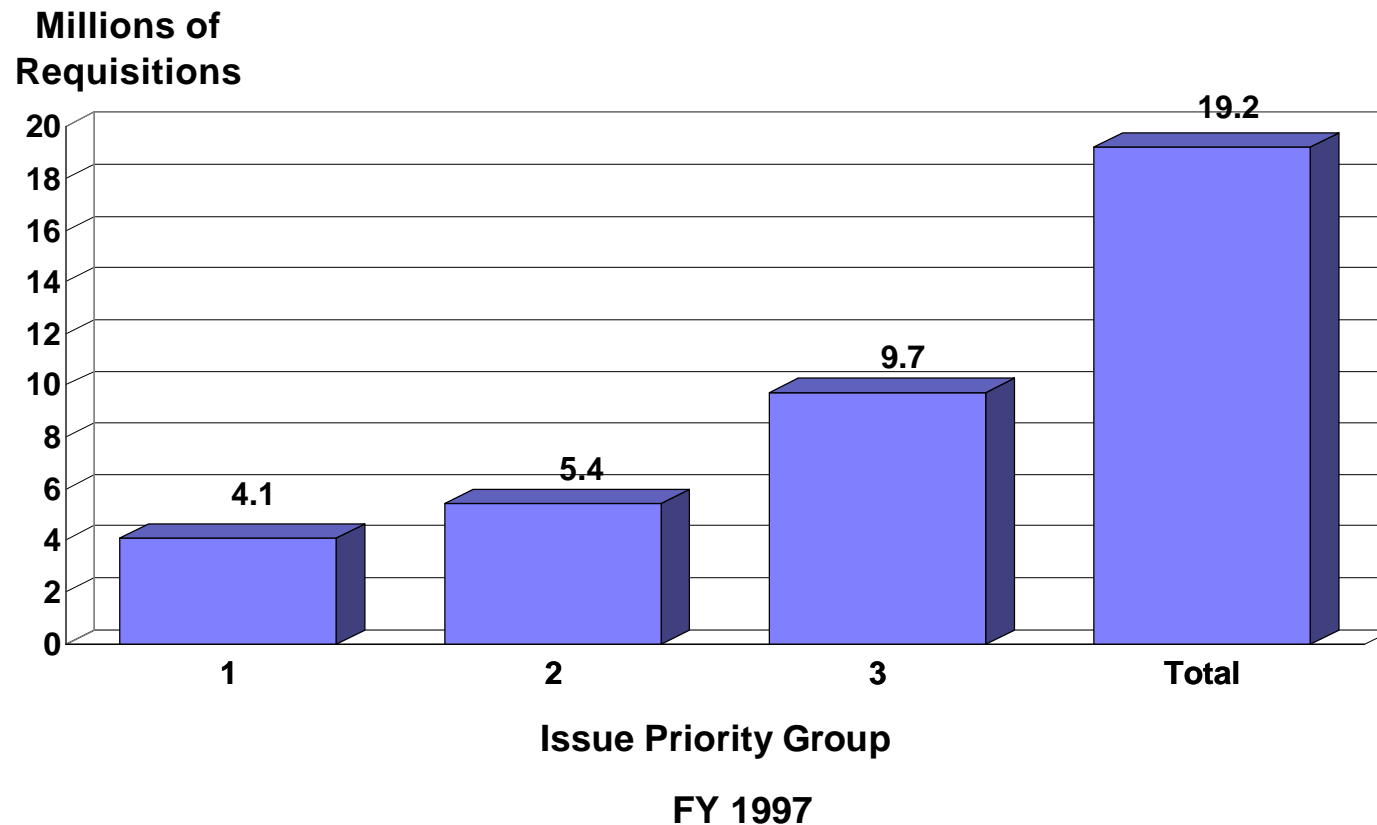
# Wholesale Inventory Requirement Levels

Dollar-weighted Days



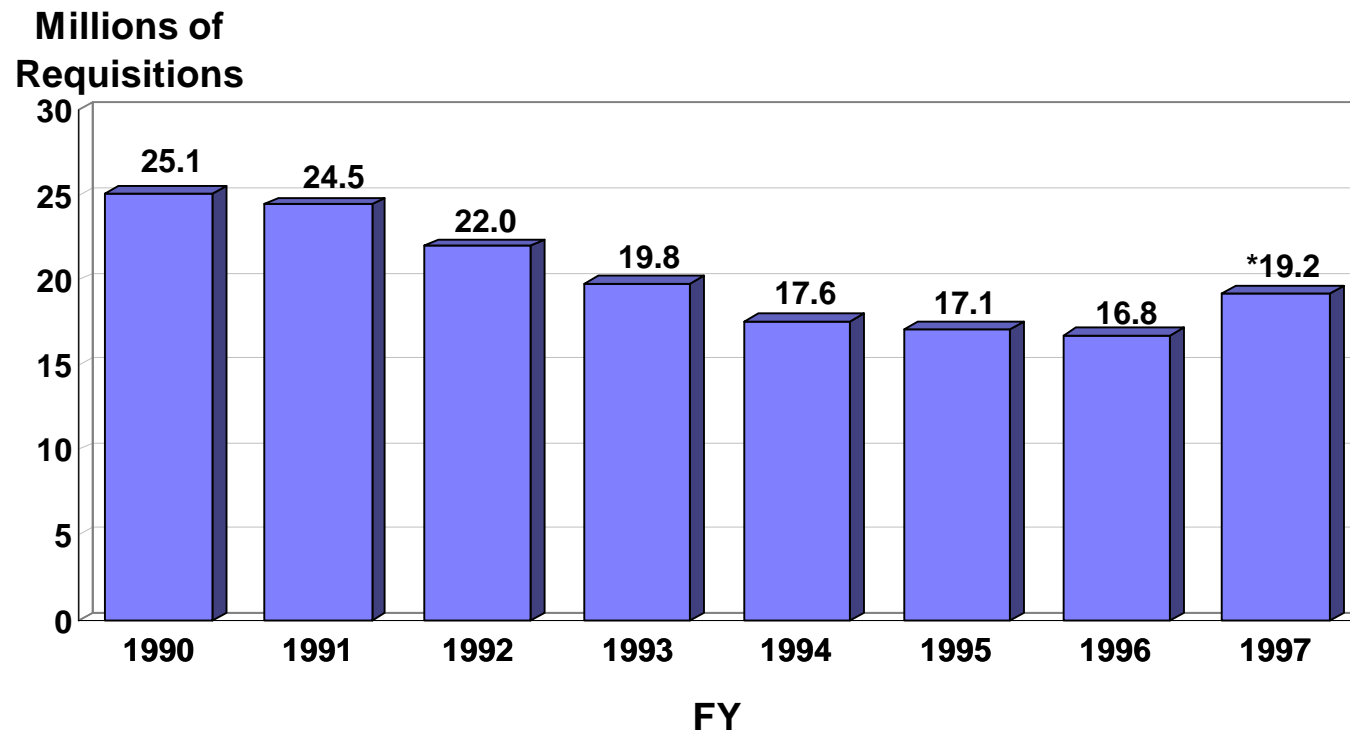
Source: Defense Working Capital Fund Submissions

# Requisitions for Wholesale Stocked Items



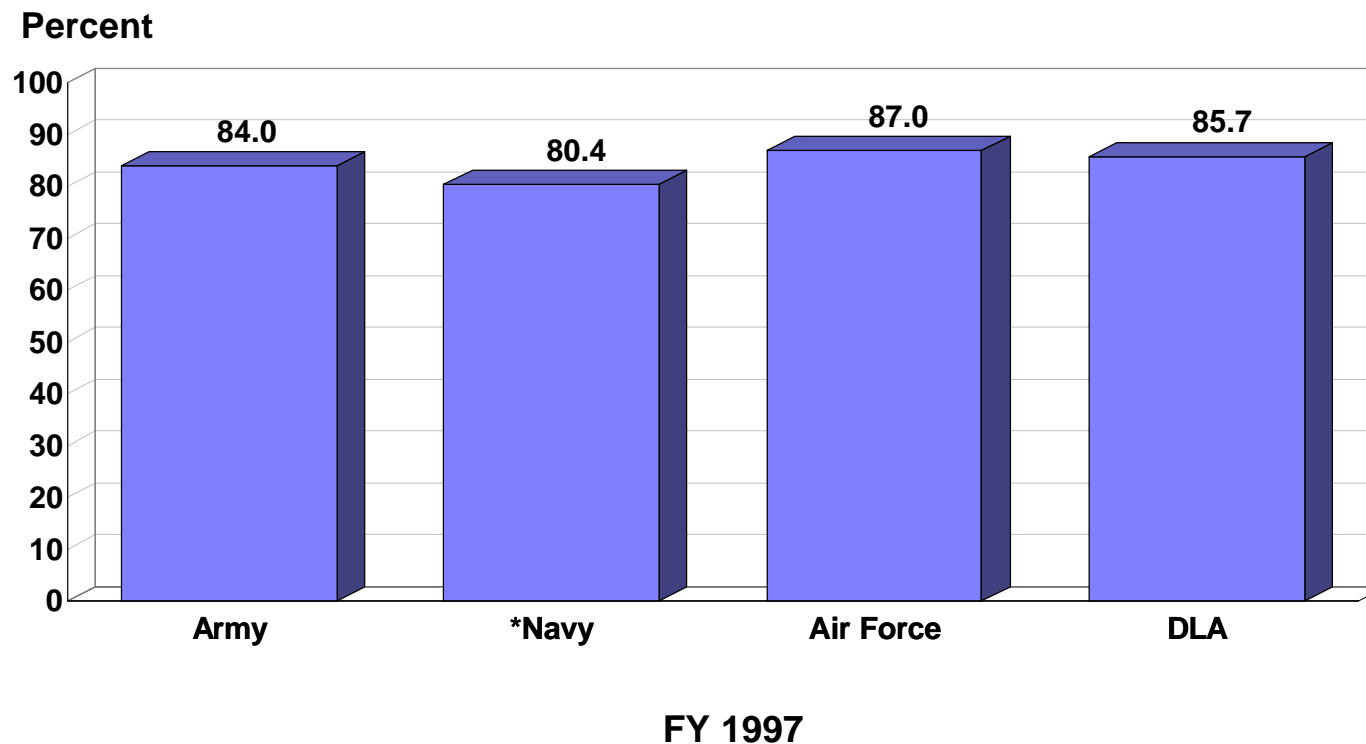
Source: Logistics Metric Analysis Reporting System, February 1997 to January 1998

# Requisitions for Wholesale Stocked Items by Year



Sources: Military Standard Supply and Transportation Evaluation Procedures' Supply Availability Workload Analysis Report, FY 1990 through FY 1996, and Logistics Metric Analysis Reporting System, February 1997 to January 1998

# Stock Availability for Wholesale Stocked Items

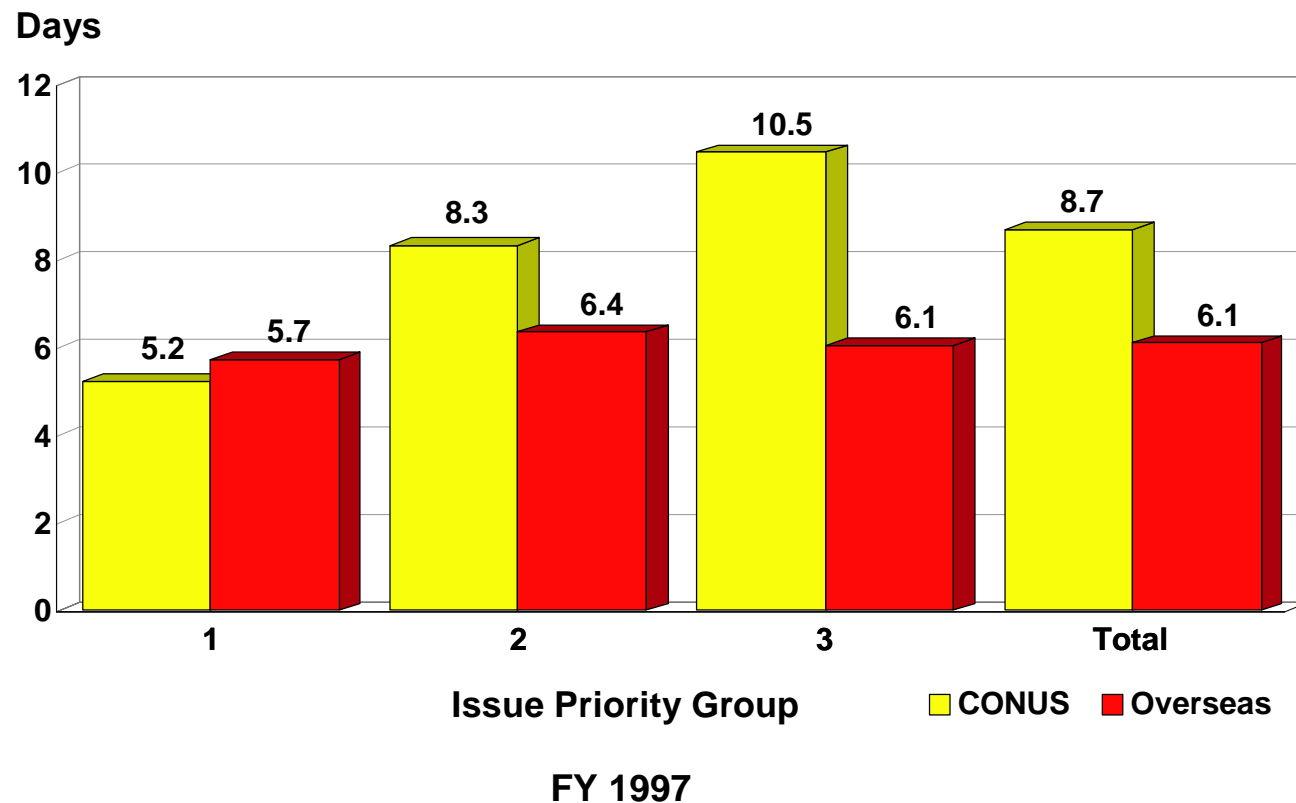


\* Includes Marine Corps

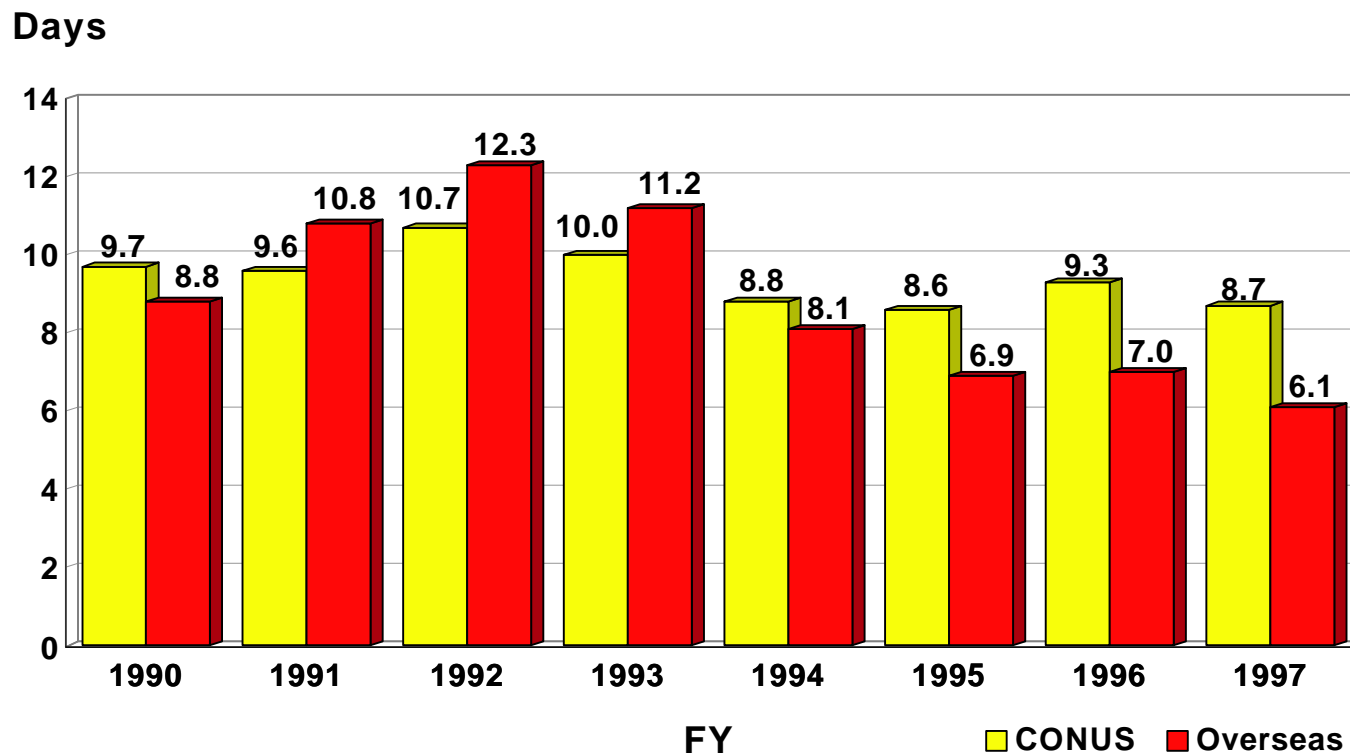
Source: FY 1999 President's Budget Submission, February 1998



# Time for ICP to Receive Requisition from User

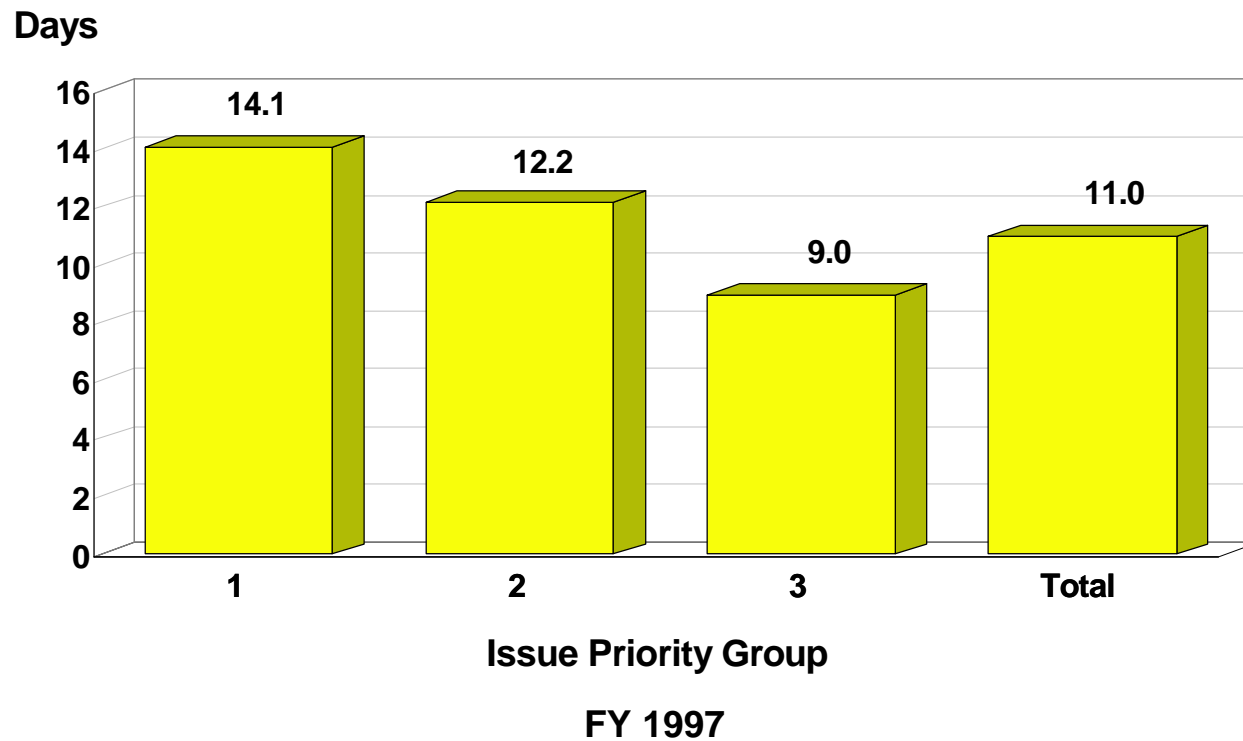


# Time for ICP to Receive Requisition from User by Year



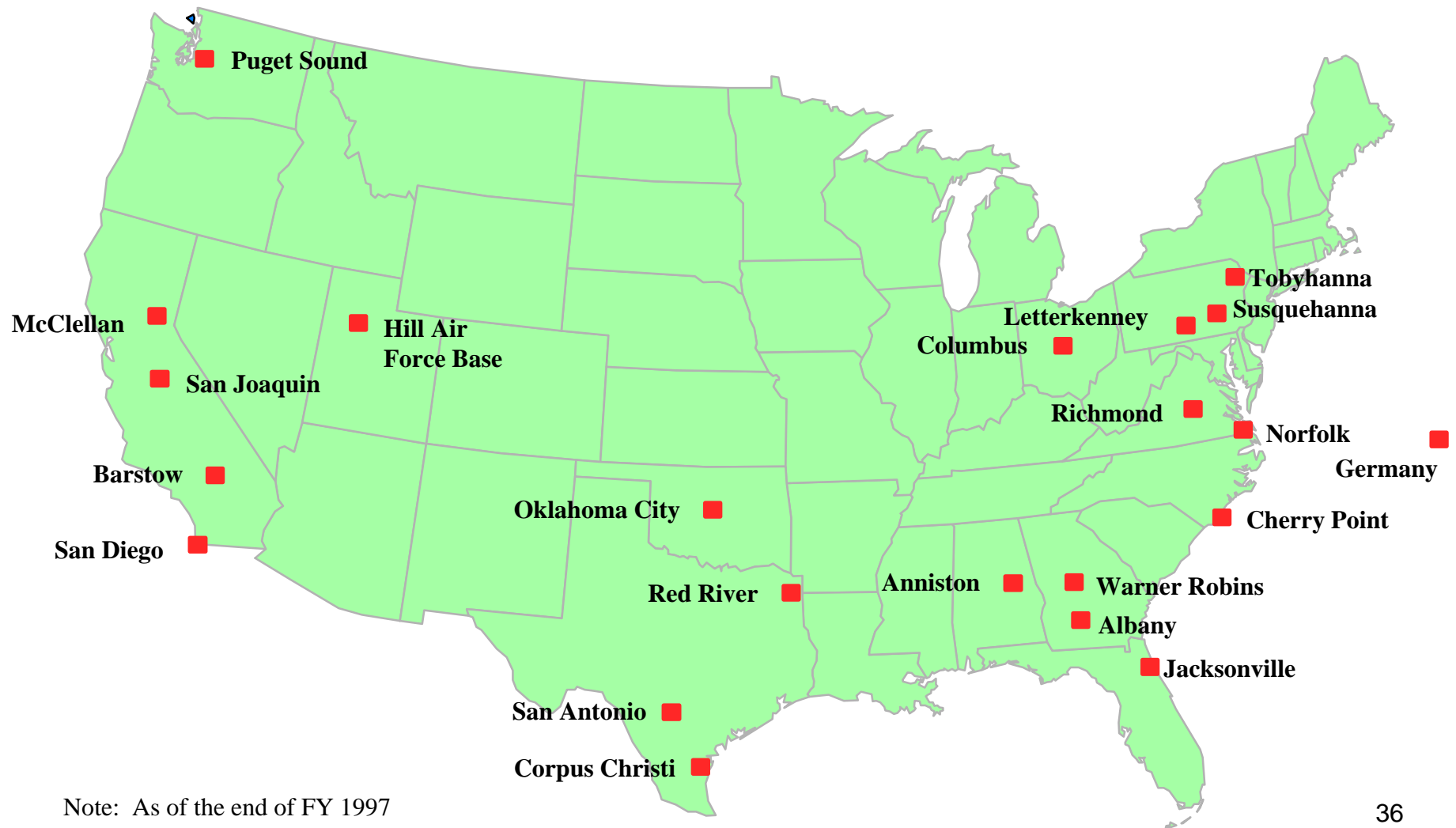
Sources: Supply Availability Workload Analysis Report, FY 1990 through FY 1996, and Logistics Metric Analysis Reporting System, February 1997 to January 1998

# ICP Time to Process Requisitions



Source: Logistics Metric Analysis Reporting System, February 1997 to January 1998

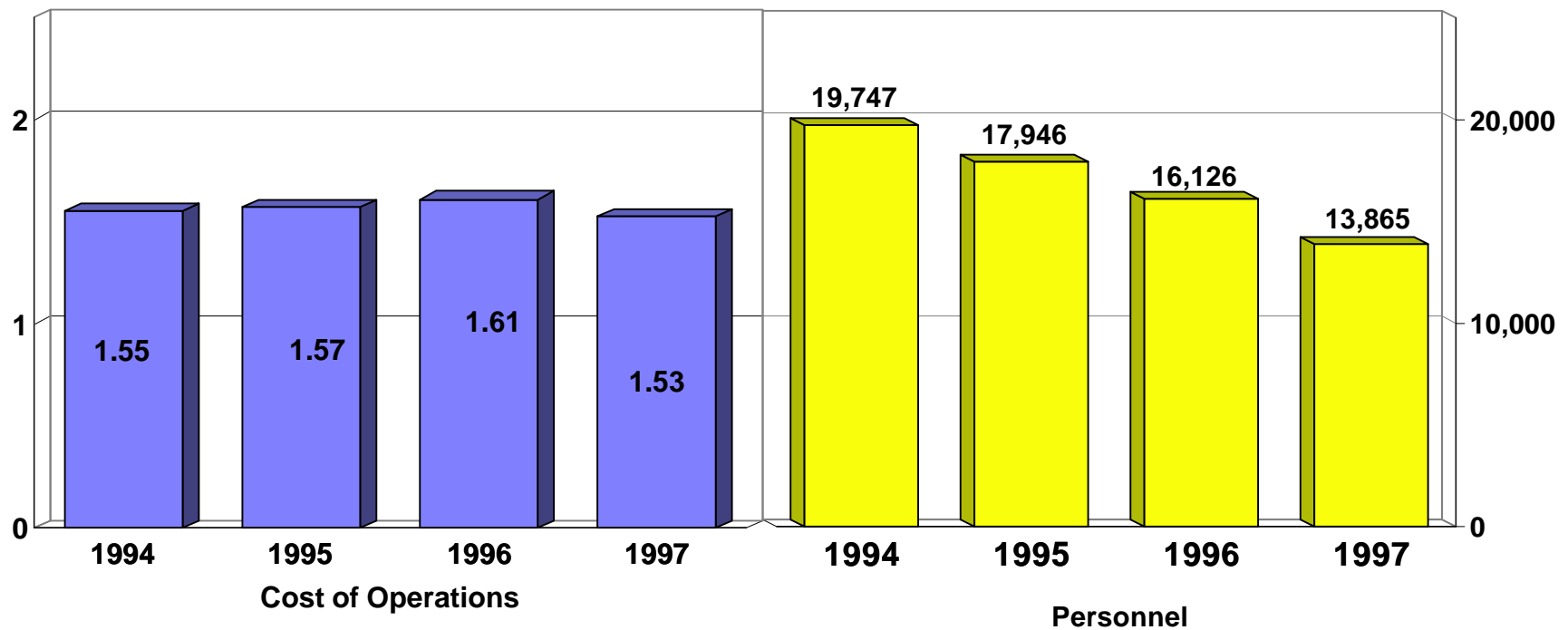
# Distribution Depot Locations



Note: As of the end of FY 1997

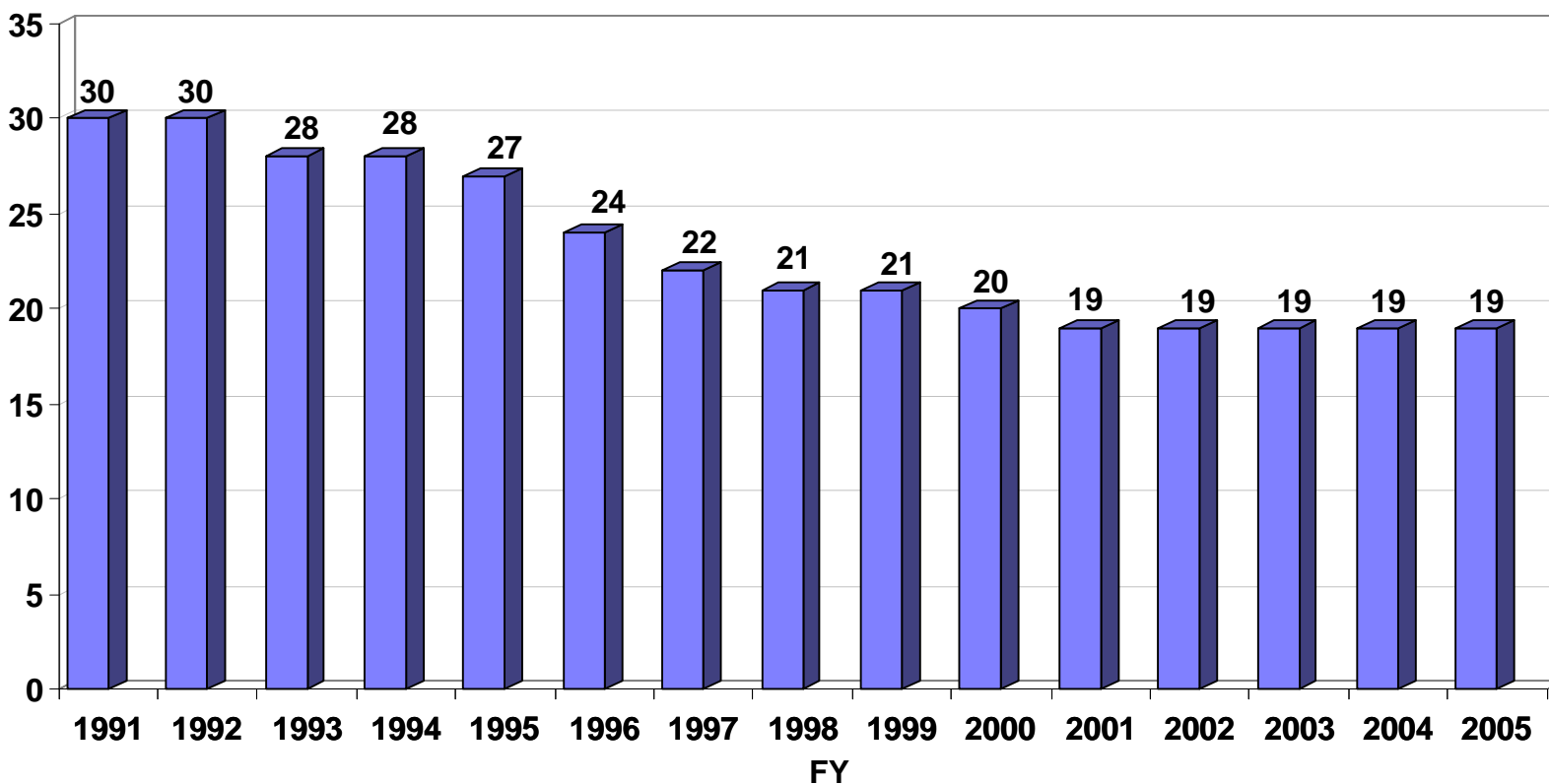
# Distribution Management Cost of Operations and Personnel

Current Year — \$ Billions



# Distribution Depots

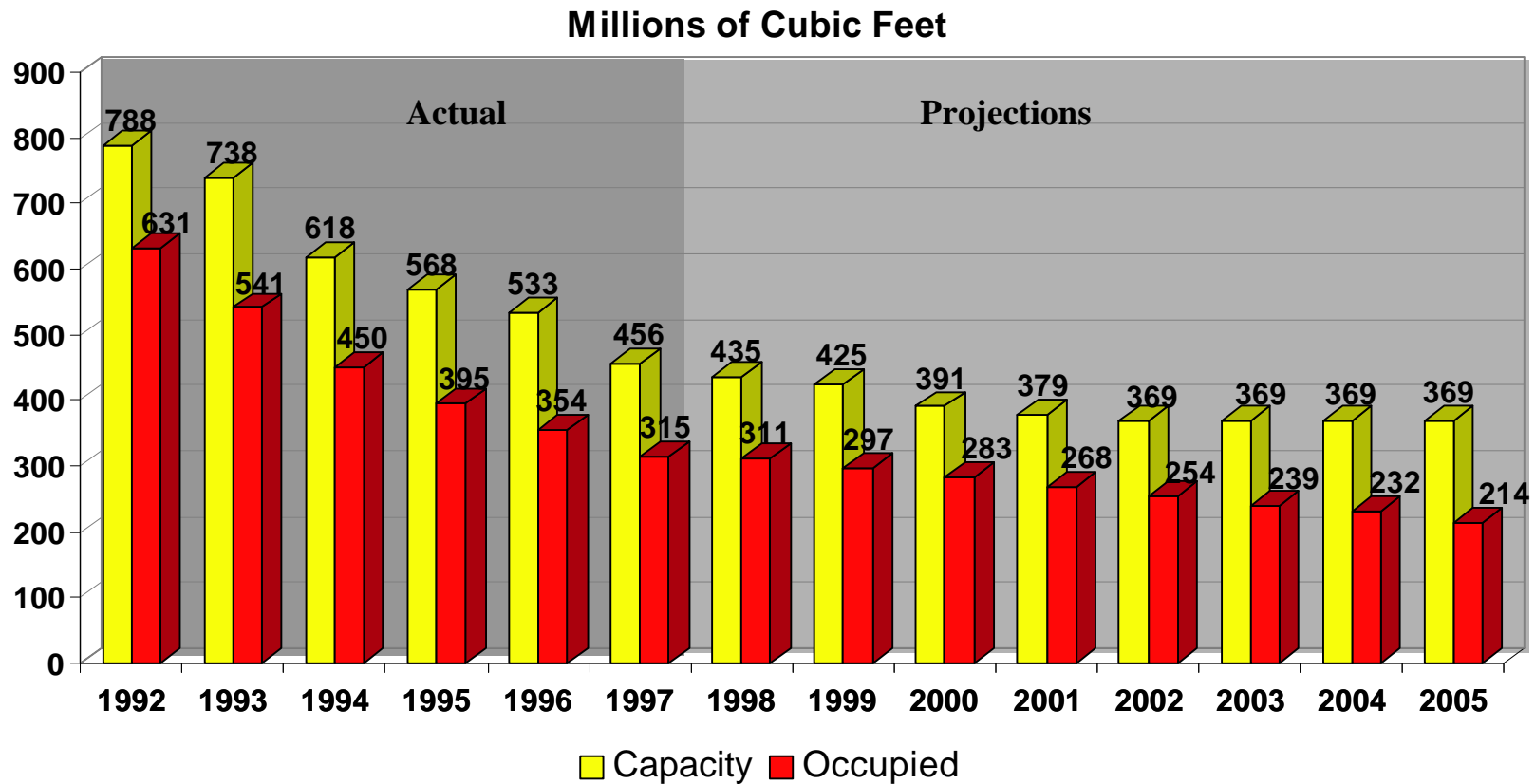
Number of Depots



\* 1998 includes Defense Distribution Depot Europe — Germany.

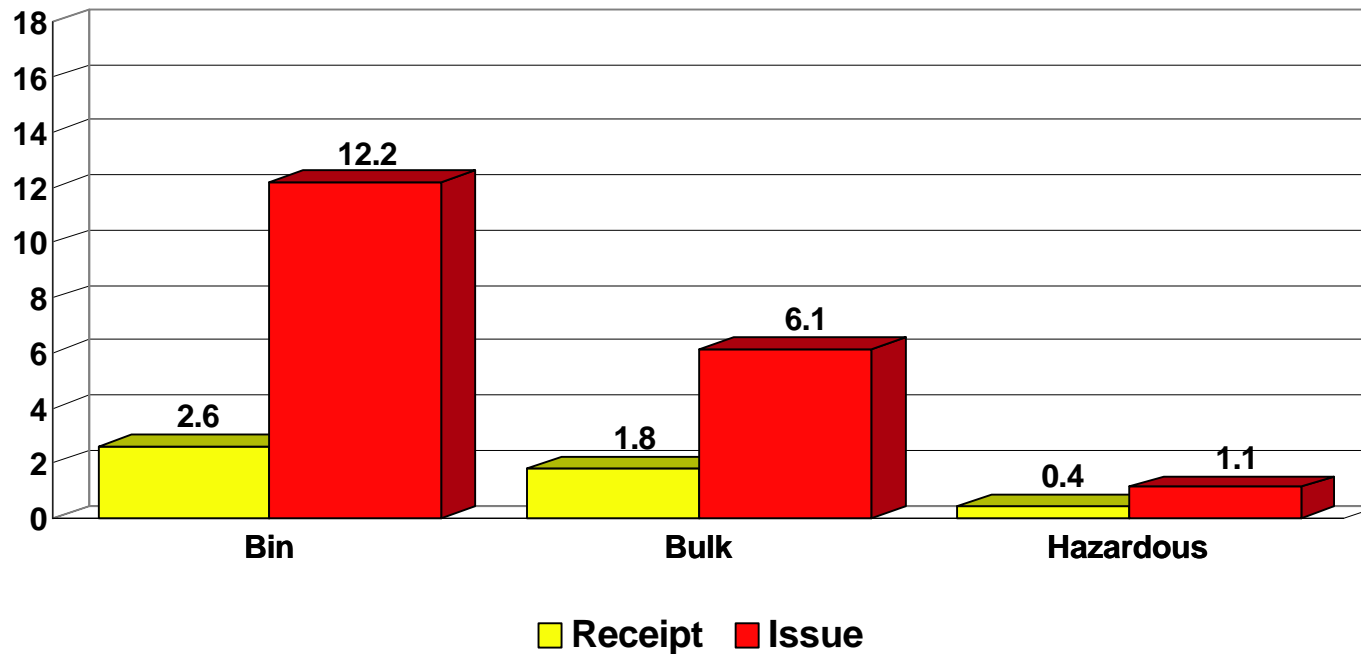
Source: Headquarters DLA, May 1998

# Storage Space



# Distribution Depots Workload

Millions of  
Transactions

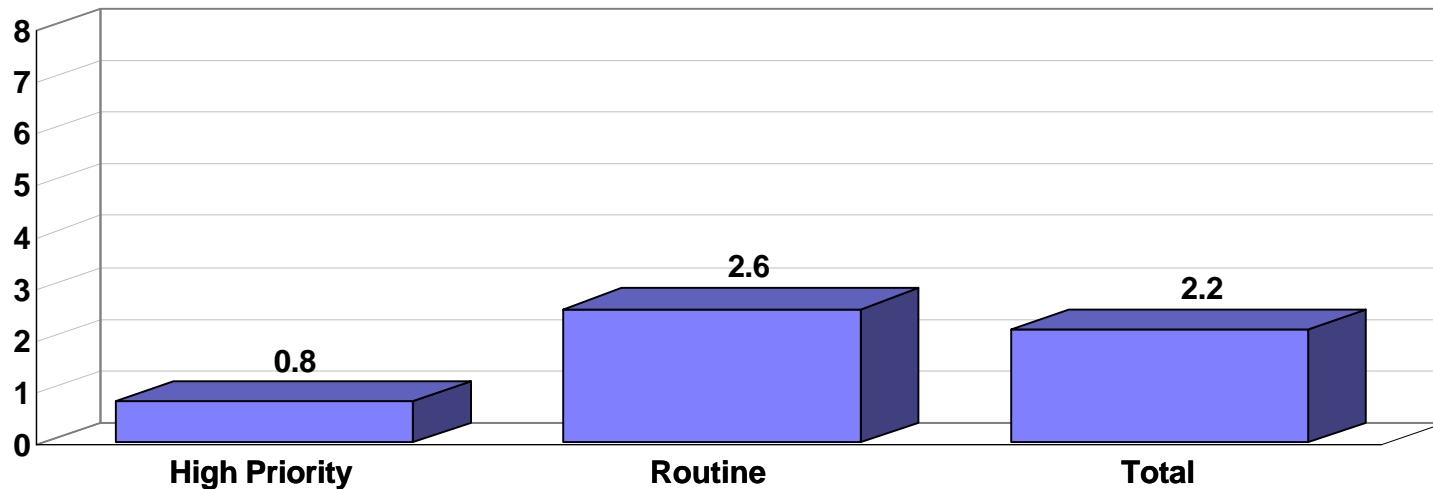




# Distribution Depots Processing Time

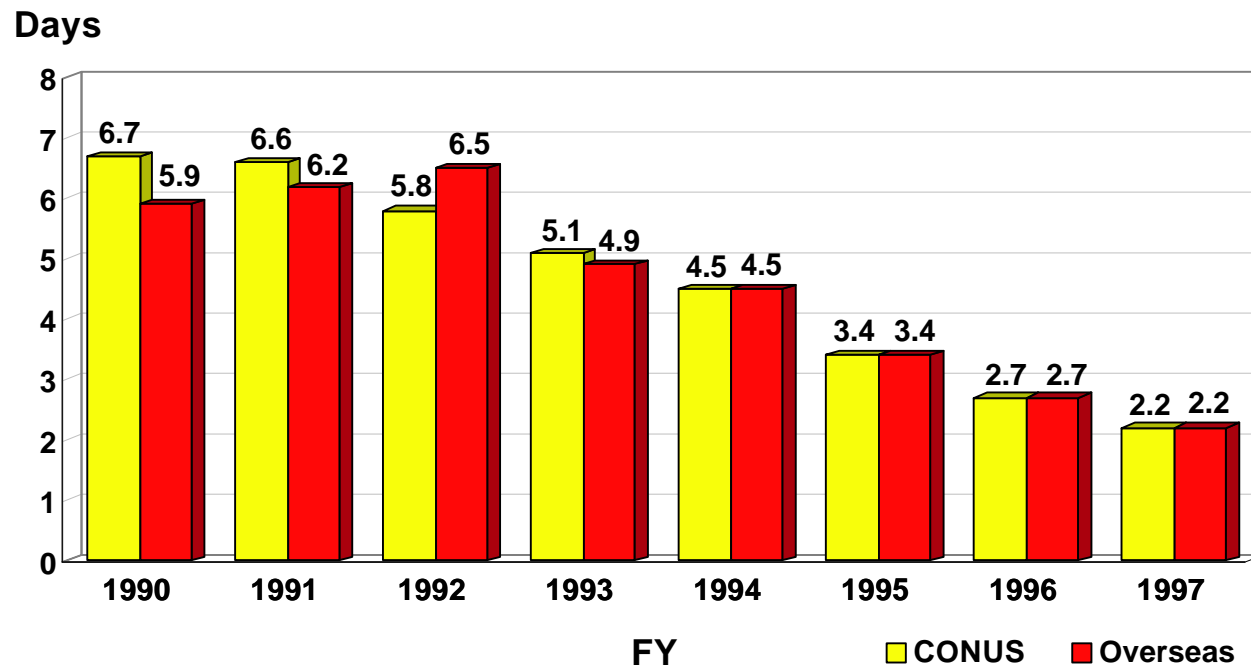
CONUS and Overseas

Days



FY 1997

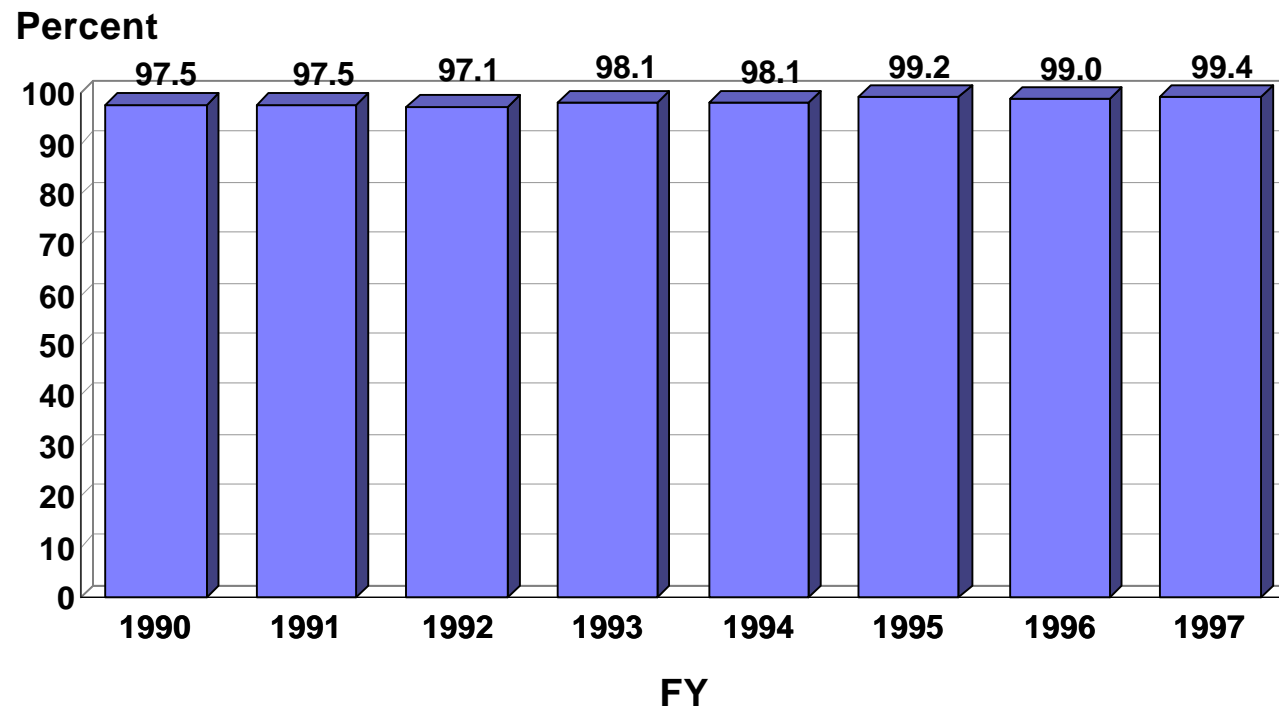
# Distribution Depots Total Processing Time by Year



Sources: Requisition Submission and ICP and Depot Processing Time Report, FY 1990, FY 1991, FY 1992, FY 1993, FY 1994, FY 1995, and FY 1996

FY 1997: DLA Distribution Management Information System

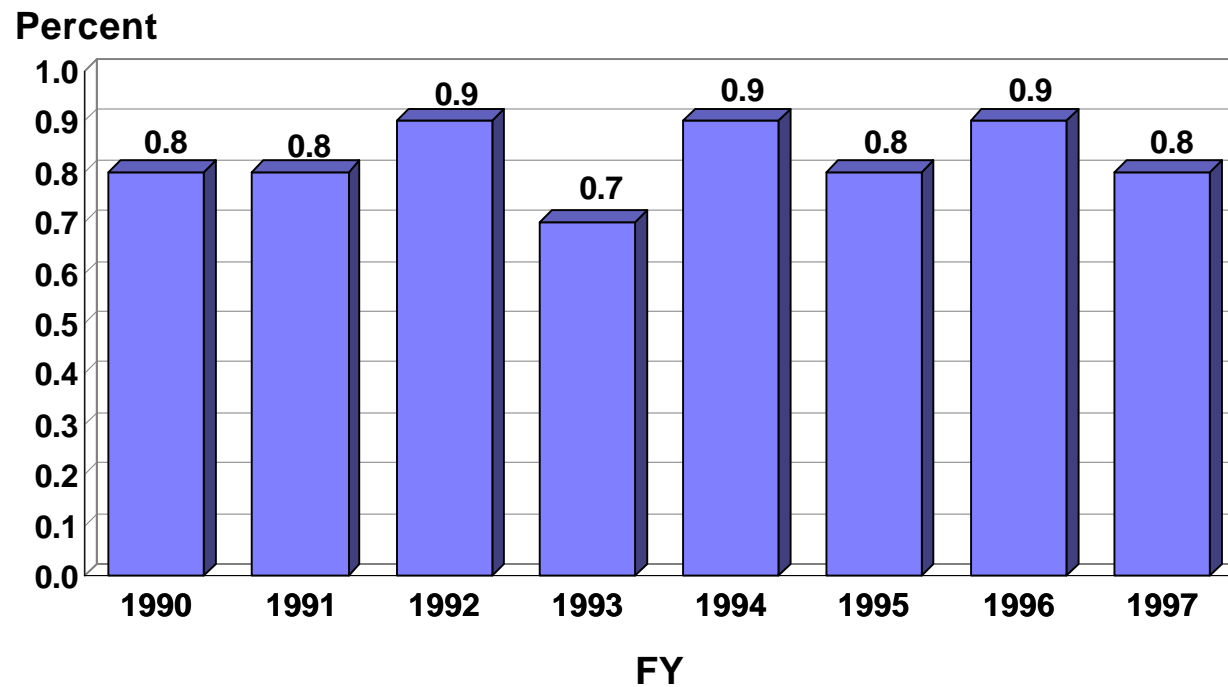
# Material Location Accuracy



Note: Excludes ammunition and subsistence

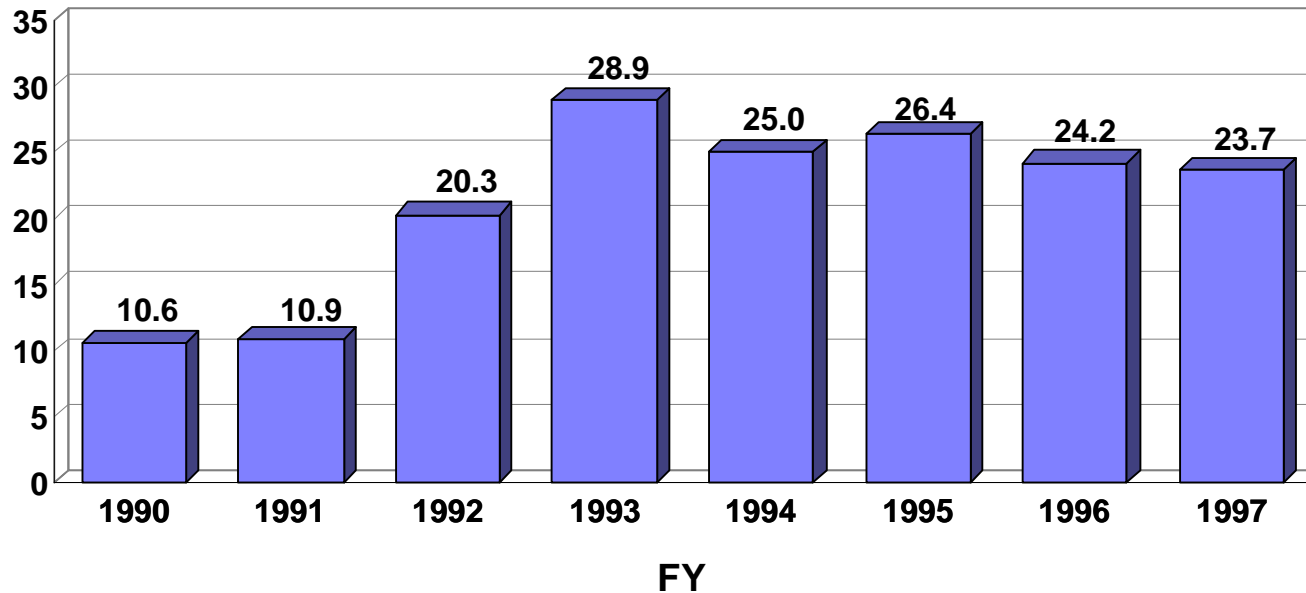
Source: DLMSO Inventory Control Effectiveness Report

# Warehouse Denials



# Materiel Transferred to Disposal System

**Current Year — \$ Billions at  
Standard Price**



Note: Includes all disposals except aircraft, ships, and ammunition from end users.

Source: DLA Program Administrator's Report, FY 1997